

21st Annual Report 2018 – 2019



Southern Online Bio Technologies Limited
Smart Solutions and Eco Friendly

CORPORATE INFORMATION

Resolution Professional:

G Kalpana

Resolution Professional in the matter of
M/s Southern Online Bio Technologies Limited
Regn no. IBBI/IPA-001/IP-P00756/2017-2018/11288
Email ID:kalpanagonugunta1@gmail.com
Appointed by NCLT vide its orders dated October 05, 2018

FORMER BOARD OF DIRECTORS

Ms. T Rohini Reddy	- Non Executive Chairperson & Independent Director (DIN: 00638514) (Upto 04.10.2018)
Mr. N Satish Kumar	- Managing Director (DIN: 00552358) (Upto 04.10.2018)
Mr. K Radha Krishna	- Executive Director & CFO (DIN: 01585940) (Upto 04.10.2018)
Mr. B Sreedhara Reddy	- Director Administration (DIN: 01302512) (Upto 04.10.2018)
Mr. Bachala Ashok	- Non Executive & Independent Director (DIN: 06856936) (Upto 04.10.2018)
Mr. BHR Balaji	- Executive Director (DIN: 00552538) (Upto 04.10.2018)
Mr. Ashiwini Kumar Tripathi	- Non Executive & Independent Director (DIN: 00388913) (Upto 04.10.2018)
Mr. G Viswanath	- Nominee Director (Bank of India) (DIN: 07192232) (Upto 04.10.2018)
Mr. Bommu Prathap	- Non Executive & Independent Director (DIN: 08211023) (Upto 04.10.2018)

FORMER AUDIT COMMITTEE

Ms.T Rohini Reddy	- Chairperson
Mr. Bachala Ashok	- Member
Mr. Ashiwini Kumar Tripathi	- Member

FORMER NOMINATION & REMUNERATION COMMITTEE

Mr. Bachala Ashok	- Chairperson
Ms.T Rohini Reddy	- Member
Mr. Ashiwini Kumar Tripathi	- Member

FORMER STAKEHOLDERS RELATIONSHIP COMMITTEE

Ms.T Rohini Reddy	- Chairperson
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Mr. N Satish Kumar - Member
Mr. K Radha Krishna - Member

FORMER INDEPENDENT DIRECTORS COMMITTEE

Ms.T Rohini Reddy - Chairperson
Mr. Bachala Ashok - Member

FORMER RISK MANAGEMENT COMMITTEE

Ms. T Rohini Reddy - Chairperson
Mr. N Satish Kumar - Member
Mr. K Radha Krishna - Member

BANKERS

Bank of India - Banjara Hills Branch, Hyderabad.
State Bank of India
(Earlier SBH) - Somajiguda Branch, Hyderabad.
UCO Bank - Banjara Hills Branch, Hyderabad
Punjab National Bank - Sanath Nagar Branch, Hyderabad

STATUTORY AUDITORS

M/s. P C N & Associates,
(Formerly Known as Chandra Babu Naidu & Co.)
Chartered Accountants, Plot No. 12, "N Heights", Ground Floor, Software Layout Unit
Cyberabad, Hyderabad - 500 081

REGISTRAR & TRANSFER AGENTS

M/s Aarthi Consultants Pvt. Ltd.,
Registered office at 1-2-285, Domalguda,
Hyderabad - 500 029.

PLANT LOCATIONS:

- I. Survey Nos.6 & 7, Samsthan Narayanpur (V&M), Nalgonda Dist, Telangana.
- II. Plot No.45/A, APSEZ, Atchutapuram, Rambilli Mandal, Visakhapatnam - 531 011,
Andhra Pradesh

REGISTERED OFFICE

Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad, Telangana 500004

Tel: (040) 2324 1999, Fax: (040) 2324 1444

E-mail: info@sol.net.in

CIN : L72900TG1998PLC030463

WEBSITE : www.sol.net.in

INVESTORS EMAIL ID : investors@sol.net.in

NOTICE OF 21st ANNUAL GENERAL MEETING

NOTICE is hereby given that the **21st Annual General Meeting** of the members of **SOUTHERN ONLINE BIOTECHNOLOGIES LIMITED** will be held on Sunday, the 06th day of December, 2020 at 11.30 AM at Anion Conference Hall, Swarna Jayanti Complex, 8th Floor, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements (standalone) of the Company for the year ended 31st March, 2019, including the audited Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors thereon.

by order of the Board
For Southern Online Bio Technologies Limited

Place: Hyderabad

Date: 13 November, 2020

Brijmohan Venkata Mandala

Director

DIN: 00295323

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

Pursuant to provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 a person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights.

2. The Register of Members and Share Transfer Books of the Company will remain closed from 28.11.2020 to 06.12.2020 (both days inclusive) for the purpose of annual closure.
3. Southern Online Bio Technologies Limited (Corporate Debtor) is currently under Corporate Insolvency Resolution Process ("CIRP") as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) pursuant to an order of the Honorable National Company Law Tribunal, Hyderabad Bench ("NCLT") dated 05th October, 2018. As per the provisions of Section 17 (b) of the Insolvency and Bankruptcy Code, 2016, "the powers of the board of directors or the partners of the corporate debtor, as the case may be, shall stand suspended and be exercised by the resolution professional". Therefore, no Item for the appointment/re-appointment of Directors, who retires by rotation is proposed as the Company is under CIRP Process.
4. The Company's Equity shares are listed at BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001.
5. Members / Proxies are requested to bring their copies of Annual Report with them for the Annual General Meeting and the attendance slip duly filled in for attending the Meeting. No copies of the Annual Report will be distributed at the meeting.
6. Members holding shares in physical form are requested to intimate all changes pertaining to nominations, change of address, change of name, e-mail address, contact numbers, etc., to Aarthi Consultants Private Limited, Registrar & Share Transfer Agent (RTA).

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7. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.
 8. In case of joint holders attending the meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
 9. Members seeking any information with regard to the Accounts are requested to write to the Company at an early date, so as to enable the Management to keep the information ready at the meeting.
 10. Regulation 36 of SEBI (LODR) Regulations, 2015 permits sending of soft copies of annual reports to all those members who have registered their email addresses for the purpose.

The Companies Act, 2013 has also recognized serving of documents to any member through electronic mode. The email ids of members in records of the Company will be deemed to be your registered email address for serving notices/documents including those covered under Section 101 and 136 of the Companies Act, 2013 read with Section 20 of the Companies Act, 2013 and the applicable rules. In light of the requirements prescribed by the aforesaid circulars, for those members do not contain the details of their email addresses, printed copies of the Annual Report would be dispatched.

11. Shareholders are requested to furnish their e-mail IDs to enable the Company to forward all the requisite information in electronic mode and support the green initiative.
12. The Securities and Exchange Board of India has notified that the shareholder/transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other Corporate Action. Accordingly, all the shareholders/transferee of shares (including joint holders) are requested to furnish a certified copy of their PAN card to the Company's RTA while transacting in the securities market including transfer, transmission or any other corporate action.
13. Since all the members of the Company are only seven and all are holding shares in physical mode, e-voting facility is not being provided.

14. The members, whose names appear on the Register of Members/list of beneficial owners as on 27th November, 2020 are eligible to participate in the voting on the resolutions set forth in this notice at the venue of the AGM.
15. Any person who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice of AGM and holds shares as on the cut-off date of 27th November, 2020, are eligible to participate and cast your vote at the AGM.
16. Please note that, any queries pertaining to accounting related aspects may be posted/handed over to the Secretarial Department at the Registered Office of the Company at least 48 hours before the Annual General Meeting, so that the same could be clarified to the shareholders at the Annual General Meeting.

by order of the Board
For Southern Online Bio Technologies Limited

Place: Hyderabad
Date: 13 November, 2020

Brijmohan Venkata Mandala
Director
DIN: 00295323

Information in accordance with Schedule V of Companies Act, 2013

I. GENERAL INFORMATION:

1	Nature of Industry : Biodiesel Manufacturing & Internet Service Provider		
2	Date or expected date of commencement of commercial: NA		
3	In case of new companies, expected date of commencement of business activities as per project approved by financial institutions appearing in the prospects: NA		
4	Financial performance based on given indications		
	Particulars	2018-19 (Rs. in lakhs)	2017-18 (Rs. in lakhs)
	Turnover	259.35	640.38
	Net profit / loss after Tax	4539.96	(13,391.85)
5	Foreign investments or collaborations, if any: NA		

BOARDS' REPORT

To the Members,

The Directors have pleasure in presenting before you the 21st Boards' report of the Company together with the Audited Statements of Accounts for the year ended 31st March, 2019.

FINANCIAL RESULTS:

The performance during the period ended 31st March, 2019 has been as under:

(Rs. in Lakhs)

Particulars	2018-19	2017-18
Total Income	370.66	930.51
Total Expenditure	1973.94	14,033.84
Profit before Tax	-1603.28	-13,103.33
Provision for Tax	-6143.24	288.52
Profit after Tax	4539.96	-13,391.85
Transfer to General Reserve	-	-
Profit available for	-	-
Provision for Proposed	-	-
Provision for Corporate Tax	-	-
Balance Carried to Balance	4539.96	-

APPOINTMENT OF RESOLUTION PROFESSIONAL:

The members are informed that pursuant to the order of the Hon'ble National Company Law Tribunal – Hyderabad Bench dated 05th October, 2018 ("NCLT Order"), Corporate Insolvency Resolution Process ("CIRP") has been initiated for the Southern Online Bio Technologies Limited ("the Company") in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the related rules and regulations issued thereunder ("Code").

Mrs. CA G Kalpana, was appointed as Interim Resolution Professional in terms of the NCLT Order and, subsequently, she was appointed as the Resolution Professional by the Committee of Creditors as per the provisions of the Code ("Resolution Professional"). When no resolution plan came forth the Committee of creditors in its 14th meeting resolved to liquidate the Corporate Debtor. Following which the Hon'ble NCLT, Hyderabad bench on 16th July, 2019 passed an order in IA No. 565/2019 preferred by the resolution professional for liquidating the Southern Online Bio Technologies Limited (the Corporate Debtor Company) by appointing Mrs. CA G Kalpana as Liquidator of the Corporate Debtor Company.

The enclosed standalone financial statements comprising Balance Sheet as at 31st March, 2019, the Statement of Profit & Loss, the Cash Flow statement and a summary of the Significant Accounting Policies and other explanatory information of the Company (which is under CIRP in terms of The Insolvency and Bankruptcy Code, 2016) have been prepared by the Resolution Professional and CFO of the Company.

The financial statements comply with the Generally Accepted Accounting Principles (GAAP) in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the Companies (Accounting Standards) Amendment Rules, 2016 and other pronouncements of the Institute of Chartered Accountants of India, the relevant provisions of the Act, to the extent notified and applicable.

The Resolution Professional has relied upon the representations and statements made by the former Directors and CFO of the Company while reviewing the financial statements.

It is to be noted that the CIRP has commenced from 05th October, 2018, and accordingly the Resolution professional (RP) has relied on the former Directors and CFO for the financial transactions prior to her engagement.

Accordingly, prior to the appointment of the RP, the liability to authenticate all transactions rested solely on the erstwhile Board of Directors and not on the Resolution professional and the Resolution Professional specifically repudiates any liability arising out of the foregoing.

For this purpose and for purpose of reviewing the above mentioned financial statements, the Resolution Professional has relied upon the representations and statements of the former directors and CFO of the Company.

The RP has only reviewed and taken note of the accompanying Financial Statements as "Identified Document" for submission to various statutory authorities, which have been prepared, submitted, approved and signed by RP and CFO of the Company.

During Corporate Insolvency Resolution Process, the NCLT has issued a moratorium period for prohibiting all of the following namely:

I. the institution of suits or continuation of pending suits or proceedings against the corporate debtor including execution of any judgement, decree or order in any court of law, tribunal, arbitration panel or other authority.

II. transferring, encumbering, alienating, or disposing of by the corporate debtor any of its assets or any legal right or beneficial interest therein.

III. any action to foreclose recover or enforce any security interest created by the corporate debtor in respect of its property including any action under the securitization and reconstruction of financial assets and enforcement of security interest act, 2002.

IV. the recovery of any property by owner or lessor where such property is occupied by or in the possession of the corporate debtor.

As per Section 17 of the Insolvency and Bankruptcy Code from the date of appointment of the interim Resolution Professional –

- a) the management affairs of the company shall vest in the resolution professional.
- b) the power of the board of directors company shall stand suspended and be exercised by the Resolution Professional.
- c) the officers and managers of the company shall report to the resolution professional and provide access to such documents and records of the company as may be required by the interim resolution professional.
- d) the financial institutions maintaining accounts of the company shall act on the instructions of the interim resolution professional in relating to such accounts furnish all information relating to the company available with them to the Resolution Professional.

Calling and conducting of this 21st AGM was the responsibility of previous management and/or the RP & Liquidator – Mrs. CA G Kalpana.

In order to ensure compliance with the provisions of the Companies Act, 2013 and SEBI Regulations and smooth transition for the new management of the Company as a going concern as per the Hon'ble NCLT Orders dated 26th November, 2019 and 22nd June, 2020, the new management of the Company is convening this AGM for the F.Y. 2018-19 with the available financial statements and other required documents as a matter of compliance to move forward.

Further the current members of the Company are being informed that all the previous liabilities prior to the date of acquisition by the new management were not applicable to the Company under the new management as per the Hon'ble NCLT Order as mentioned above.

Since the convening and conducting of this 21st AGM was the responsibility of the previous management and/or the RP & Liquidator – Mrs. CA G Kalpana, the liability of non-compliance of the provisions of the Companies Act, 2013 and SEBI Regulations doesn't affect the new management. The new management is only taking measures to ensure all the back log compliances are being met to make a way for fresh start over of the Company.

TRANSFER TO RESERVES:

For the financial year ended 31st March, 2019, the Company has not transferred any amount to General Reserve Account.

DEPOSITS:

The Company has not accepted any deposits from public in terms of Section 73 of the Companies Act, 2013 and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of the balance sheet.

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo required to be disclosed under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 are provided in the **Annexure-I** forming part of this Report.

BOARD OF DIRECTORS:

Consequent to an order of the Honorable National Company Law Tribunal, Hyderabad Bench ('NCLT') dated 05th October, 2018, the Company is currently under Corporate Insolvency Resolution Process ('CIRP') as per the provisions of the Insolvency and Bankruptcy Code, 2016 (IBC) and as per Section 17 of the Code, the powers of the Board of Directors of Southern Online Bio Technologies Limited (Corporate Debtor) stands suspended and such powers shall be vested with Mrs. CA G Kalpana, Resolution Professional.

KEY MANAGERIAL PERSONNEL:

From 05th October, 2018 all the KMP except the CFO and Company Secretary of the Company stands suspended.

DECLARATION BY INDEPENDENT DIRECTORS:

The Company has received declarations from all the Independent Directors of the Company confirming that they fulfill the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015.

MEETINGS OF THE BOARD OF DIRECTORS DURING THE FINANCIAL YEAR:

During the year, three meetings of board of directors were held on 21 May, 2018, 27 August, 2018 and 31 August, 2018. There after the RP convened two meetings on 14 November, 2018 and 14 February, 2019. The details were more peculiarly disclosed in the attached Report on Corporate Governance. The intervening gap between any two meetings was within the prescribed period.

The number and dates of meetings held by the Board and its Committees, attendance of Directors and details of remuneration paid to them is given separately in Corporate Governance Report in terms of Section 134(3)(b) of the Companies Act, 2013.

BOARD EVALUATION:

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of the Company stands suspended from 05th October, 2018 and the same are being exercised by Mrs. CA G Kalpana. The management of the affairs of Southern Online Bio Technologies Limited has been vested with Mrs. CA G Kalpana.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134 (5) of the Companies Act, 2013, Mrs CA G Kalpana (RP) and Mr K Radha Krishna (CFO) of the Company confirm that to the best of their knowledge and belief and according to the information and explanation available to them,

- i. In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. Such accounting policies as mentioned in the notes to the financial statements have been selected and applied consistently and judgments and estimates that are reasonable and prudent made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2018-19 and of the statement of profit of the Company for that period;
- iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. The annual accounts for the year 2018-19 have been prepared on a going concern basis.
- v. Those proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

That systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 17 of the Code, on commencement of the Corporate Insolvency Resolution Process (CIRP), the powers of the Board of Directors of SBTL stands suspended and the same are being exercised by Mrs. CA G Kalpana (RP). The management of the affairs of SBTL has been vested with Mrs. CA G Kalpana (RP).

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS:

The Board has, on the recommendation of the Nomination and Remuneration Committee framed a policy for selection and appointment of Directors and Senior Management personnel and fix their remuneration. The Remuneration Policy is posted on the website of the Company at the link: www.sol.net.in.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. To maintain its objectivity and independence, the Internal Audit function reports to the Chairman of the Audit Committee of the Board.

The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented to the Audit Committee of the Board.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURT:

In lieu of company account becoming NPA with lenders, the Lead Banker that is Bank of India has filled the petition with Hon'ble National Company Law Tribunal (NCLT), Hyderabad for the recovery of dues under section of Companies Act 7 of IBC and Hon'ble NCLT, Hyderabad bench admitted and appointed the IRP Mrs CA G Kalpana w.e.f. 05th October, 2018 from the date on which the board of directors were suspended and the management of the Company including day to day affairs were looked after by Mrs CA G Kalpana from 05th October, 2018 onwards.

RELATED PARTY TRANSACTIONS:

All transactions entered with Related Parties for the year under review were on arm's length basis and in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. All Related Party Transactions are placed before the Audit Committee as also the Board for approval, where ever required. Prior omnibus approval of the Audit Committee is obtained for the transactions which are of a foreseeable and repetitive nature. A statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted are placed before the Audit Committee and the Board of Directors on a quarterly basis. The Company has developed a Policy on Related Party Transactions for the purpose of identification and monitoring of such transactions. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website www.sol.net.in.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of section 188 is prepared in **Form AOC-2** pursuant to clause (h) of the Companies (Accounts) Rules, 2014 and the same is annexed herewith as **Annexure-II** to this Report.

EXTRACT OF ANNUAL RETURN:

The Extracts of Annual Return as per the provisions of Section 92 of the Companies Act, 2013 and Rule 12 of Companies (Management and Administration) Rules, 2014 in **Form MGT-9** are enclosed as **Annexure-III** to this Report.

NOMINATION AND REMUNERATION POLICY:

The Board has on the recommendation of the Nomination & Remuneration Committee framed a policy which lays down a framework in relation to selection, appointment and remuneration to Directors, Key Managerial Personnel and Senior Management of the Company. The details of Nomination and Remuneration Committee and Policy are stated in the Corporate Governance Report.

SUBSIDIARIES:

Your company has the following Subsidiaries. Further there has been no material change in the nature of business of the Subsidiaries.

Southern Biofe Biofuels Pvt Ltd (SBBF) is a wholly owned subsidiary of the Company. SBBF was incorporated on 08.05.2002 with an authorized share capital of Rs.34,40,000/-. SBBF initially focused on the establishment and production of biodiesel, the activity of which has been taken over by Southern Online Bio Technologies Ltd. The Company has no operations in the last financial year.

Sl.No.	Name of the Company	Percentage(%)
Subsidiary Companies:		
1	Southern Biofe Biofuels Pvt Ltd(SBBF)	99.97
2	Marvel Bio Oil FZE Sharjah, UAE	100.00

However the subsidiaries financial statements are not available for consolidation because of which Mrs. CA G Kalpana made only audited standalone financial statements available for the F.Y. 2018-19.

Marvel Bio Oil FZE Sharjah, UAE has been closed due to severe funds constraints.

INTERNAL AUDITORS:

M/s V. Ravi & Co., Chartered Accountants, Hyderabad are the Internal Auditors of the Company until 05th October, 2018.

SECRETARIAL AUDIT REPORT:

No secretarial auditor was appointed for the F.Y. 2018-19 and 2019-20 and hence could not be able to provide the Secretarial Audit Report and also the Annual Secretarial Compliance Certificate as required by SEBI (LODR) Regulations, 2015.

A certificate on non-disqualification of directors as required by the SEBI Regulations is not required because the former board of directors were suspended from 05th October, 2018.

STATUTORY AUDITORS:

M/s P C N & Associates, (Formerly Known as Chandra Babu Naidu & Co.) Chartered Accountants, Hyderabad were appointed as the Statutory Auditors of the Company in 19th Annual General Meeting held on 30.12.2017 to hold the office until the conclusion of the Annual General Meeting to be held for the financial year 2021-22.

However, pursuant to notification from the MCA dated 07.05.2018, ratification of appointment of statutory auditors at every Annual General Meeting has been omitted.

AUDITORS' REPORT:

(a) Statutory Auditors Report:

Mrs CA G Kalpana, RP and the CFO duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2019 and the new board of directors has noted the following qualifications:

1. Note No: 42 to the Financial Statements, the company has defaulted in repayment of dues to their respective Banks/Financial institutions and turned into NPA (Non Performing Asset). During the financial year 2018-19 the company has not provided interest on loans outstanding to compliance of minimum presentation and disclosure requirement as per schedule III of the companies act, 2013. We are unable to comment effect on statement of Profit & loss account and other equity on account of non provision of interest.

2. Note No: 44 to the financial statements, The Hon'ble National Company Law Tribunal, Hyderabad (NCLT) by an order dated 05.10.2018 admitted the corporate insolvency resolution process (CIRP) application filed against the Company. The Honorable NCLT appointed Ms. G. Kalpana as Interim Resolution professional and conformed to continue as Resolution professional. In views of the ongoing CIRP and suspension of the powers of Board of directors and as explained to us, the powers of adoption of this financial statements vests with RP under provisions of the code.

3. Note No: 46 to the financial statements, in respect of preparation of financial statements of the company on the basis of going concern for the reasons stated there in and expiry of timeline to complete the process of CDR/SDR. However, the eroded Networth, Non Repayment of Loans, Non Operational of the Bio-Diesel Division and Fixed Assets Coverage Ratio (FACR) which significantly affects the company's ability to continue as a going concern. The company incurred losses during previous year and current financial year. In the current year, the company incurred loss of Rs. 16.03 Crores. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded as at 31st March, 2019. The company has obligations towards fund based borrowings aggregating to Rs. 36,711.35 Lakhs,

Operational creditors, statutory dues, subject to reconciliation/verification by the Resolution Professional (RP), that have been demanded/recalled by the financial/operating creditors pursuant to ongoing corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly we are unable to comment on the consequential impact, if any, on the accompanying financial statements.

4. Note 46 and 47 to the financial statements, in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of subsidiary companies and other parties) , operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;

5. Note No: 39 to the financial statements, in respect of non-availability of confirmations of Trade Receivables and various advances. In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are recoverable.

6. Note No: 39 to the financial statements, in respect of non-availability of confirmations of Trade Payables and various advances/borrowings. In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are payable.

7. Note No: 48 to the financial statements, in respect of non-availability of physical verification reports of fixed assets and inventories aggregating to Rs. 11,153.47 Lakhs, as at 31st March, 2019 and no provision for impairment has been made for the reasons stated therein. In the absence of alternative corroborative evidence, we are unable to comment on carrying value of Fixed Assets and realisable value of Inventories.

8. Note No: 32 to the Financial Statements, In respect of recognition of deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to Rs. 6,143.24 Lakhs. The management of the company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12), Had the aforesaid deferred tax assets not been recognised, Loss after tax for the year ended 31st March, 2019 would have been higher by Rs. 6,143.24 Lakhs, Other equity would have been lower by Rs. 6,143.24 Lakhs.

9. Company is irregular in paying undisputed statutory dues that are subject to reconciliation towards TDS, Provident Fund, Employees State Insurance and Goods and Service Tax for the year ended 31st March, 2019 (Refer Clause (vii) of the Annexure to the Audit Report)

Explanation on the comments made by the auditor:

The new board of directors noted the qualifications given by the statutory auditors and explained that since the company's account became NPA with lenders, the Lead Banker that is Bank of India has filled the petition with Hon'ble National Company Law Tribunal (NCLT), Hyderabad for the recovery of dues under section of Companies Act 7 of IBC which was admitted the appointed the IRP Mrs. CA G Kalpana w.e.f. 05th October, 2018. Subsequently the company went for liquidation due to non-arrival of resolution plan and the new management i.e. Dr Devaiah Pagidipati acquired the company under liquidation as a going concern as per the Order of Hon'ble NCLT. It is further informed that as per the Order of Hon'ble NCLT dated November 26, 2019 all the liabilities of the Company prior to the date of acquisition by the new management stands extinguished including the previous shareholders share capital. Hence the auditor's qualifications stands extinguished and no explanation on the auditor's comments is required.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

Corporate Social Responsibility required to be disclosed under Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 is not applicable since the Company admitted for IRP during the year under review and further went for liquidation and was sold as a going concern through e-auction.

PARTICULARS OF LOANS, GUARANTEES OR SECURITIES OR INVESTMENTS:

The Company has not given loans / guarantees or made any investments during the year under review.

COST AUDITORS:

Cost Audit is not applicable, as the turnover is less than applicable limit and hence no cost auditors required to be appointed.

STATEMENT SHOWING THE NAMES OF THE TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN AND THE NAME OF EVERY EMPLOYEE:

A statement showing the names of the top ten employees in terms of remuneration drawn and the name of every employee – no records were made available to furnish the said details.

RATIO TO REMUNERATION TO EACH DIRECTORS AND PARTICULARS OF EMPLOYEES:

Under section 197(12) of the Companies Act, 2013, and Rule 5(1)(2) & (3) of the Companies (Appointment & Remuneration) Rules, 2014, ratio of remuneration to median employees was not made available to furnish the said details.

The Company has not employed any individual whose remuneration falls within the purview of the limits prescribed under the provisions of Section 197 of the Companies Act, 2013, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements were not prepared as prescribed under Section 133 of the Companies Act, 2013, read with Rule 7 of Companies (Accounts) Rules, 2014 and Guidelines issued by Securities and Exchange Board of India ("SEBI") because of non-availability of financial statement of subsidiary(s).

As per the provisions of Section 136 of the Companies Act, 2013, the Company has not placed separate audited accounts of its subsidiaries on its website www.sol.net.in and copy of separate audited financial statements of its subsidiaries cannot be provided to the shareholders at their request.

SHARE CAPITAL:

The Authorised share capital of the Company is Rs 75,00,00,000 (Rupees Seventy Five Crores) divided into 7,50,00,000 equity shares of Rs 10/- each. The old paid up capital of the Company is Rs 58,99,32,880/- divided into 5,89,93,288 equity shares of Rs 10/- each. The new paid up capital of the Company as on date of this report is Rs. 45,00,00,000/- divided into 4,50,00,000 equity shares of Rs. 10/- each.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

The Management Discussion and Analysis forms an integral part of this Report and gives details of the overall industry structure, developments, performance and state of affairs of the Company's various businesses viz., Bio Diesel Products, internal controls and their adequacy, risk management systems and other material developments during the financial year.

Management Discussion and Analysis Report is presented in a separate section forms part of the Annual Report as **Annexure-VII**.

BOARD EVALUATION:

Pursuant to the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations, the Board is required to carry out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees. The Board's functioning was evaluated on various aspects, including inter alia degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning.

Evaluation of the Committees performance was based on the criteria like composition, its terms of the reference and effectiveness of committee meetings, etc., Individual Director's performance evaluation is based on their preparedness on the issues to be discussed, meaningful and constructive discussions and their contribution to the Board and Committee

meetings. The Chairperson was evaluated mainly on key aspects of his role. These performance exercises were conducted seeking inputs from all the Directors / Committee Members wherever applicable.

The evaluation procedure followed by the company is as mentioned below:

- i) Feedback is sought from each Director about their views on the performance of the Board, covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The Nomination and Remuneration Committee (NRC) then discusses the above feedback received from all the Directors.
- iii) Based on the inputs received, the Chairman of the NRC also makes a presentation to the Independent Directors at their meeting, summarising the inputs received from the Directors as regards Board's performance as a whole and of the Chairman. The performance of the Non-Independent Non-Executive Directors and Board Chairman is also reviewed by them.
- iv) Post the meeting of the Independent Directors, their collective feedback on the performance of the Board (as a whole) is discussed by the Chairman of the NRC with the Chairman of the Board. It is also presented to the Board and a plan for improvement is agreed upon and is pursued.
- v) Every statutorily mandated Committee of the Board conducts a self-assessment of its performance and these assessments are presented to the Board for consideration. Areas on which the Committees of the Board are assessed include degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- vi) Feedback is provided to the Directors, as appropriate. Significant highlights, learning and action points arising out of the evaluation are presented to the Board and action plans are drawn up. During the year under report, the recommendations made in the previous year were satisfactorily implemented.

During the year under review, the former board of directors were suspended w.e.f. 05th October, 2018 due to admission of the Company for IRP and subsequently went in to liquidation and was acquired by the new management as a going concern.

CORPORATE GOVERNANCE:

The Company may have implemented the procedures and adopted practices in conformity with the Code of Corporate Governance as per the requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

A separate report on corporate governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliances forms an integral part of this Report.

VIGIL MECHANISM:

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail of the mechanism and provides direct access to the Chairperson of the Audit Committee in exceptional cases. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website. The Whistle Blower Policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behaviour.

FAMILIARISATION PROGRAMME:

The Company familiarises its Independent Directors on their appointment as such on the Board with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, etc. through familiarisation programme. The Company also conducts orientation programme upon induction of new Directors, as well as other initiatives to update the Directors on a continuing basis. The familiarisation programme for Independent Directors is disclosed on the Company's website

CHANGE IN NATURE OF BUSINESS:

There is no change in nature of business of the Company.

MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year 31stMarch, 2019 to which the financial statements relates and the date of signing of this report. However the company was admitted for IRP (Insolvency resolution process) during the year under review and subsequently went in to liquidation.

HUMAN RESOURCES:

The industrial relations of the Company continued to be harmonious during the year under review.

ISO 9001-2008 CERTIFICATION:

Your Company was holding ISO 9001-2008 Certification by meeting all the requirements of Certification from time to time during the year under review.

POLICY ON SEXUAL HARRASSEMENT:

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The internal complaints committee was duly constituted as required. During the financial year ended 31stMarch, 2019, the Company has not received any Complaints pertaining to Sexual Harassment.

DEMATERIALISATION OF SHARES:

As on March 31, 2019, 92.72% of the company's old Paid-up Equity Share Capital is in dematerialized form as on 31st March, 2019 and balance 7.28% is in physical form. The Company's Registrars are M/s Aarathi Consultants Pvt. Ltd., having their registered office at 1-2-285, Domalguda, Hyderabad - 500 029.

INSURANCE:

The properties and assets of your Company are adequately insured.

UNCLAIMED SECURITIES DEMAT SUSPENSE ACCOUNT:

As on March 31, 2019, there were 9,181 Equity Shares of Rs.10/- each, which were allotted in Initial Public Offer and Rights Issue of 2005, lying in the escrow account due to non-availability of 18 shareholders correct particulars. Despite various reminders to them, by M/s. Aarathi Consultants Private Limited, Registrars and Share Transfer Agents, no response has been received. As a result, the said unclaimed shares were credited to Southern Online Bio Technologies Ltd - Unclaimed Securities Demat Suspense Account. Such shareholders may approach either the Company or our Registrars and Share Transfer Agents with their correct particulars and proof of their identity for crediting requisite shares from the Demat Suspense Account to their individual demat Accounts. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares. However due to the Order of Hon'ble NCLT dated 26 November, 2019, all the old shareholders capital was extinguished as the old shareholders will become claimants from liquidation proceeds u/s 53 of the Code.

REVISION OF FINANCIAL STATEMENTS:

There was no revision of the financial statements for the year under review

DIVIDEND:

Company has not declared any dividend during the year.

COMPLIANCE WITH SEBI (LODR) REGULATIONS, 2015:

In compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has signed uniform listing agreement with BSE Limited and framed the following policies which are available on Company's website i.e. www.sol.net.in

- Board Diversity Policy

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- Policy on preservation of Documents
 - Risk Management Policy
 - Whistle Blower Policy
 - Familiarisation programme for Independent Directors
 - Sexual Harassment Policy
 - Related Party Policy
 - Code of Conduct

RISK MANAGEMENT POLICY:

The former Board of the Company has formed a Risk Management Committee to frame, implement and monitor the risk management policy/plan for the Company and ensuring its effectiveness. The Risk Management Committee oversees the Risk Management process including risk identification, impact assessment, effective implementation of the mitigation plans and risk reporting. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

DISCLOSURE OF COST AUDIT:

Appointment of Cost Auditors is not applicable as the turnover is less than applicable limit.

NON-EXECUTIVE DIRECTORS COMPENSATION AND DISCLOSURES:

None of the Independent / Non-Executive Directors has any pecuniary relationship or transactions with the Company which in the Judgment of the former Board may affect the independence of the Directors. The details of sitting fee paid were given in the Report on corporate governance.

CEO/CFO CERTIFICATION:

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs CA G Kalpana, RP and, Mr K Radha Krishna, Chief Financial Officer (CFO) have submitted a certificate to the Board, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31st, 2019 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

INDUSTRY BASED DISCLOSURE:

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures is not required.

EVENT BASED DISCLOSURE:

During the year under review, the Company has not taken up any of the following activities:

1. **Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.
2. **Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.
3. **Issue of shares under employee's stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.
4. **Non- Exercising of voting rights:** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.
5. **Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The Company did not purchase or give any loans for purchase of its shares.
6. **Preferential Allotment of Shares:** The Company did not allot any shares on preferential basis during the period under review.

SECRETARIAL STANDARDS:

The company is in compliance with SS 1 & SS 2.

COMPOSITION OF FORMER COMMITTEES:

The Composition of former Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee are mentioned in Corporate Governance Report.

APPRECIATION:

The new board wish to place on record their appreciation to employees at all levels for their hard work, dedication and commitment. The enthusiasm and unstinting efforts of the employees have enabled the Company to stream line all the pending compliances and thereby to have a fresh start for the Company.

ACKNOWLEDGEMENT:

The new board take this opportunity to place on record their sincere thanks to the suppliers, customers, strategic partners, Banks and Financial Institutions, Insurance Companies, Central and State Government, Indian Railways Organisation for Alternate Fuels, Indian Railways, Telangana State Road Transport Corporation, Andhra Pradesh Road Transport Corporation, Material suppliers, customers and the new shareholders for their support and co-operation extended to the Company from time to time. Board is pleased to record their appreciation of the sincere and dedicated services of the employees and workmen at all levels.

By order of the Board
For Southern Online Bio Technologies Limited

November 13, 2020
Hyderabad

Brijmohan Venata Mandala **Dr Divya Sunitha Raj Burra**
Director Director
DIN: 00295323 DIN: 03412586

ANNEXURE-I

PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO (Information Under Section 134(3)(m) of The Companies Act, 2013, Read with Rules 8(3) of the Companies (Accounts) Rules, 2014)

FORM A

1.	CONSERVATION OF ENERGY	:	
(i)	Energy Conservation measures	:	Nil
(ii)	Total energy consumption	:	Nil
2.	TECHNOLOGY ABSORPTION	:	Nil

FORM B

(Disclosure of particulars with respect to Technology Absorption)

A.	Research and Development (R & D)	:	
1.	Specific areas in which R & D is carried out by the company	:	NA
2.	Benefits derived as a result of the above R & D	:	NA
3.	Future plan of action	:	NA
4.	Expenditure on R & D	:	NA
B.	Technology absorption, adaptation and innovation	:	NA

The Company is making all its efforts for improving productivity, product quality and reducing consumption of scarce raw materials and fuels.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Activities relating to exports and initiatives taken to increase export products and services and export plans : NIL

ANNEXURE - II
FORM AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso is given below:

1. Details of contracts or arrangements or transactions not at Arm's length basis:

S. No	Particulars	Details
1	Name(s) of the related party & Nature of relationship	Nil
2	Nature of contracts/arrangements/transaction	Nil
3	Duration of the contracts/arrangements/Transactions	Nil
4	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
5	Date of approval by the Board, if any	Nil
6	Amount paid as advances, if any	Nil

ANNEXURE - III

EXTRACT OF ANNUAL RETURN FORM MGT 9

**(Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Company
(Management & Administration) Rules, 2014)
Financial Year ended on 31.03.2019**

I. REGISTRATION & OTHER DETAILS:		
I	CIN	: L72900TG1998PLC030463
ii	Registration Date	: 09.11.1998
iii	Name of the Company	: SOUTHERN ONLINE BIOTECHNOLOGIES LTD.
iv	Category/Sub-category of the Company	: Company limited by shares/Non-Government Company
v	Address of the Registered office & contact details	: Flat No. A3, 3 rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad, Telangana-500004 Tel:(040)23241999, Fax:(040)23241444 Website: www.sol.net.in, Email: cs@sol.net.in
vi	Whether Listed Company	: Listed at BSE Ltd
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	: Aarthi Consultants Pvt.Ltd. 1-2-285,Domalguda, Hyderabad-500029 Phone:040-27642217/27638111,Fax:040-27632184 Email:info@aarthiconsultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10% or more of the total turnover of the company shall be stated.

S. No	Name & Description of main products/services	NIC Code of the Product/service	%Total turnover of the company
1	Internet Services Division	-	100
2	Bio Diesel division	40107	0
3	IROAF (Railway Bio-Diesel)	-	0

	Projects Execution works)		
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III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

S. No	Name and address of the	CIN	Holding/ Subsidiary/	% of shares	Applicable Section
1	Southern Biofe Biofuels Pvt.Ltd	U40107TG2002PTC038919	Subsidiary	99.97	2(87)
2	*Marvel Bio Oil FZE Shariah.UAE	-	Foreign Subsidiary	100	-

*Company applied for the closure of Marvel Bio Oil FZE Sharjah, UAE and awaiting for the closure certificate from concern authorities.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Indian									
a. Individuals/Hindu undivided Family	1,15,65,081	0	1,15,65,081	19.60	1,15,65,081	0	1,15,65,081	19.60	0.00
b. Central Government/ State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
c. Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d. Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00

e. Any Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
e.i. Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
e.ii. Trusts	0	0	0	0.00	0	0	0	0.00	0.00
Sub Total (A)(1)	1,15,65,081	0	1,15,65,081	19.60	1,15,65,081	0	1,15,65,081	19.60	0.00
Foreign									
a. Individuals(Non-Resident Individuals/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b. Government	0	0	0	0.00	0	0	0	0.00	0.00
c. Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d. Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
f.i. Corporate Bodies - Foreign Body	0	0	0	0.00	0	0	0	0.00	0.00
f.ii. Corporate Bodies - OCB Non Repatriable	0	0	0	0.00	0	0	0	0.00	0.00
f.iii. Corporate Bodies - OCB Repatriable	0	0	0	0.00	0	0	0	0.00	0.00
f.iv. Foreign Institutional Investor (FII) - Others	0	0	0	0.00	0	0	0	0.00	0.00
f.v. Foreign Institutional Investor (FII) - DR	0	0	0	0.00	0	0	0	0.00	0.00
f.vi. Bank - Foreign Bank	0	0	0	0.00	0	0	0	0.00	0.00

(i-i) Foreign Companies									
Sub Total (B)(1)	39,35,125	0	39,35,125	6.67	39,44,081	0	39,44,081	6.69	0.02
B2 Non-Institutions									
(a) Bodies Corporate	43,86,327	47,046	44,33,373	7.52	21,41,015	47,046	21,88,061	3.71	-3.81
(b) Individuals									
(I) Individual shareholders holding nominal share capital upto Rs.2 lakh	98,52,234	3,15,977	1,01,78,211	17.25	99,62,080	36,23,077	1,02,85,157	17.43	0.18
(II) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	1,87,54,747	4,38,000	1,91,92,747	32.53	2,39,90,372	4,38,000	2,44,28,372	41.41	8.88
(c) Qualified Foreign Investor									
(d) Any Others(Specify)									
(d-i) Non Resident Individuals	15,18,576	71,300	15,89,876	2.70	15,02,699	68,300	15,70,999	2.66	-0.03
(d-ii) Overseas Corporate Bodies	31,14,935	34,16,769	65,31,704	11.07	0	10,000	10,000	0.02	-11.05
(d-iii) Trusts (NBFC)	400	0	400	0	2300	0	2300	0	1900
(d-iv) Employees									
(d-v) NRI - Non Repatriable									
(d-vi) Clearing Members	2,90,669	0	2,90,669	0.49	3,01,431	0	3,01,431	0.51	0.02
(d-vii) Foreign Nationals	12,76,102	0	12,76,102	2.16	12,76,102	0	12,76,102	2.16	0
(d-viii) FCCB	0	0	0	0	37,06,769	14,935	37,21,704	6.31	6.31
Sub Total (B)(2)	3,91,93,990	42,99,092	4,34,93,082	73.33	3,91,90,934	42,93,192	4,34,84,126	73.71	0.38

Total Public Shareholding (B)=(B)(1)+(B)(2)	4,31,29,115	42,99,092	4,74,28,207	80.40	4,31,35,015	42,93,192	4,74,28,207	80.40	0
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Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C) Shares held by Custodians and against Depository Receipts have been issued									
1. Shareholding of Promoters and Promoter Group	0	0	0	0	0	0	0	0	0
2. Public Shareholding	0	0	0	0	0	0	0	0	0
Total Non-Promoter-Non Public Shareholding (C)	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the ending of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Total shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	1,15,65,081	0	1,15,65,081	19.60	1,15,65,081	0	1,15,65,081	19.60	0.00
Total Public Shareholding	4,31,29,115	42,99,092	4,74,28,207	80.40	4,31,35,015	42,93,192	4,74,28,207	80.40	0

(B)=(B)(1)+(B)(2)									
Total Non-Promoter-Non Public Shareholding (C)	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total	5,46,94,196	42,99,092	5,89,93,288	100	5,47,00,096	42,93,192	5,89,93,288	100	0.00

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in
		No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged/encumbered to total shares	Shareholding during the year
1	Mr N Satish Kumar	60,27,652	10.22	10.22	60,27,652	10.22	10.22	0.00
2	Mr K Radha Krishna	25,34,657	4.30	4.30	25,34,657	4.30	4.30	0.00
3	Mr BHR Balaji	7,11,657	1.20	0.77	7,11,657	1.20	0.77	0.00
4	Mr B Sreedhara Reddy	21,22,157	3.60	3.60	21,22,157	3.60	3.60	0.00
5	Ms K Subhashini	97,500	0.16	0.00	97,500	0.16	0.00	0.00
6	Ms K Sumithra	51,000	0.08	0.00	51,000	0.08	0.00	0.00
7	Ms N Rama Devi	10,458	0.02	0.00	10,458	0.02	0.00	0.00
8	Mr B Praveen	5,000	0.01	0.00	5,000	0.01	0.00	0.00

9	Mr V Narasimha Reddy	5,000	0.01	0.00	5,000	0.01	0.00	0.00
	Total	1,15,6 5,081	19.60	18.89	1,15,6 5,081	19.60	18.89	0.00

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SNo.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	%of total shares of the company	No. of shares	%of total shares of the company
1	At the beginning of the year	1,15,65,081	19.60	1,15,65,081	19.60
2	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc.):	-	-	-	-
3	At the End of the year	1,15,65,081	19.60	1,15,65,081	19.60

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

S No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
A	At the beginning of the year				
1	AlSried Company for trade Ltd	34,06,769	5.77	34,06,769	5.77
2	National Westminster Bank PLC as Trustee of the Jupiter	20,00,000	3.39	20,17,956	3.42
3	Sunil Kumar Reddy Poondla	8,40,000	1.42	13,40,000	2.27
4	Christian A Schmidt	12,76,102	2.16	12,76,102	2.16
5	Mohammad Salahuddin	12,12,625	2.06	12,12,625	2.06
6	Dhruva Kumar Donepudi	0	0	9,50,000	1.61

7	Kalki Prasuna	9,10,000	1.54	9,10,000	1.54
8	V Durga Prasad	0	0	895949	1.52
9	APMS Investment Fund Ltd	8,90,618	1.51	8,90,618	1.51
10	Mudireddy Narayana Reddy	0	0	8,59,450	1.46

(v) Shareholding of Directors and Key Managerial Personnel :

S. No	For Each of the Directors and KMP	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
I	At the beginning of the year				
1	Mr N Satish Kumar	60,27,652	10.22	60,27,652	10.22
2	Mr K RadhaKrishna	25,34,657	4.30	25,34,657	4.30
3	Mr B Sreedhara Reddy	21,22,157	3.60	21,22,157	3.60
4	Mr BHR Balaji	7,11,657	1.21	7,11,657	1.21
5	Mr. Rama Devi Nanubala	10,458	0.02	10,458	0.02
6	Mr. Praveen Bommu	5,000	0.01	5,000	0.01
7	Ms. Sumithra Katikireddy	51,000	0.09	51,000	0.09
8	Ms. Kethu Subhashini	97,500	0.17	97,500	0.17
9	Mr Narasimha Reddy Vasantha	5,000	0.01	5,000	0.01
10	Ms T Rohini Reddy			0	0.00
11	Mr Ashiwini Kumar Tripathi			0	0.00
12	Mr Bachala Ashok	0	0.00	0	0.00
18	Mr G Viswanath	0	0.00	0	0.00
	Total	1,15,65,081	19.63	1,15,65,081	19.63
II	Date wise Increase/Decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/	No equity shares allotted to Directors and Key Managerial Personnel during the year 2018-19			

Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961					-	-
2. Stock Option	-	-	-	-	-	-
3. Sweat Equity	-	-	-	-	-	-
4. Commission - as% of profit - others, specify	-	-	-	-	-	-
5. Others, please specify	-	-	-	-	-	-
Total(A)					0.47	0.47

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Company Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty Punishment			Nil		
B. DIRECTORS					
Penalty Punishment			Nil		
C. OTHER OFFICERS IN					
Penalty Punishment Compounding			Nil		

By order of the Board
For Southern Online Bio Technologies Limited

November 13, 2020
Hyderabad

Brijmohan Venata Mandala Dr Divya Sunitha Raj Burra

Director
DIN: 00295323

Director
DIN: 03412586

ANNEXURE - IV

Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014 Statement containing salient features of the financial statement of subsidiaries

Part "A": Subsidiaries
(Amount in Rupees)

S N o	Name of the Subsidiary	Reporting period For the subsidiary concerned, if different From the holding company's reporting period	Reportin g currency And Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Share capita l	Res erv es & sur plu s	Total assets	Total Liabili ties	T urn o ver	P B T	Provi sion for taxat ion	Profi t aft er taxa tion	Propo sed Divid end	%of sha re hol din g
1	SBBF	31.03.2019	INR	34,32,000	-	-	-	-	-	-	-	-	99.97
2	Marvel Bio oil FZE	31.03.2019	Dirham	4,31,550	-	-	-	-	-	-	-	-	100

Note: no data was available as the financials of the subsidiary companies are not available and moreover the foreign subsidiary has been closed as per the last annual report.

ANNEXURE – VII

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a) Structure and Developments, Opportunities and Threats, Performance, Outlook, Risks and Concerns:

The total revenue of the Company for the financial year ended 31st March, 2019 is Rs 370.66 lakhs as compared to the previous year's total revenue of Rs 930.51 lakhs. During this financial year the Company has incurred a net profit of Rs 4539.96 lakhs as against the previous year's net loss of Rs 13,391.85 lakhs.

As per Government of India's Initiatives to promote the use of Bio diesel fuel, Government has made it compulsory to use 5% as bio diesel fuel of its total fuel requirement. On account of this mandatory action, the Company has good number of orders in hand various Government owned transport organisations.

Indian Government has introduced a new policy. The Gol policy is to ensure that a minimum level of biofuels become readily available in the market to meet the demand at any given time. An indicative target of 5% blending of bio diesel by 2030 is proposed.

The Government has made mandatory 5% usage of bio diesel across all Zonal Railways in India which has led to bag us plenty of orders from Zonal railways for the supply of the bio diesel.

Company plans to revive the present situation.

b) Internal Control Systems and their Adequacy:

The Company has adequate internal control systems and procedures in all operational areas and at all levels equipment's procurement, finance, administration, marketing and personnel departments. The Company also has Internal Audit systems commensurate with its size and nature of business. The internal audit function will be done by a firm of Chartered Accountants. The Audit committee reviews the internal audit reports and the adequacy of internal controls from time to time.

c) Financial and Operational Performance:

The Highlights of Financial Operational Performance are given below:

(Rs. In Lakhs)

Particulars	2018-19	2017-18	2016-17
Total Income	370.66	930.51	12,409.50
Total Expenditure	1973.94	14,033.84	19,898.28
Profit before Tax	-1603.28	-13,103.33	-7,488.77
Provision for Tax	-6143.24	288.52	49.65
Profit after Tax	4539.96	-13,391.85	-7,538.42
Transfer to General Reserve		-	-
Profit available for appropriation		-	-

Provision for Proposed Dividend		-	-
Provision for Corporate Tax		-	-
Balance Carried to Balance Sheet	4539.96	-13,391.85	-7,538.42

The net loss incurred is due to closure of both the units in absence of required working capital.

d) Human Resources Development and Industrial Relations:

The Company believes that the quality of its employees is the key to its success in the long run and is committed to provide necessary human resource development.

Industrial relations during the year are cordial and the Company is committed to maintain the same in future.

By order of the Board
For Southern Online Bio Technologies Limited

November 13, 2020
Hyderabad

Brijmohan Venata Mandala	Dr Divya Sunitha Raj Burra
Director	Director
DIN: 00295323	DIN: 03412586

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Southern Online Bio Technologies Limited to set the highest standards of Corporate Governance right from its inception benchmarked with the best class practices across the globe. Effective Corporate Governance is the manifestation of professional beliefs and values, which configures the organizational values, credo and actions of its employees. The aim of "Good Corporate Governance" is to ensure commitment of the board in managing the company in a transparent manner for maximizing long-term value of the company for its shareholders and all other partners. It integrates all the participants involved in a process, which is economic, and at the same time social. The Company's core philosophy on the code of Corporate Governance is to ensure:

- Fair and transparent business practices;
 - Accountability for performance;
 - Compliance of applicable statute;
 - Transparent and timely disclosure of financial and management information;
 - Effective management control and monitoring of executive performance by the Board;
- and
- Adequate representation of promoter, executive and independent directors on the Board.

Hence it harmonizes the need for a company to strike a balance at all times between the need to enhance shareholders' wealth whilst not in any way being detrimental to the interests of the other stakeholders in the company.

2. BOARD OF DIRECTORS:

a) Composition and Category of Directors:

In terms of compliance with the regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "SEBI Listing Regulations, 2015", the Company endeavour to have an optimum combination of Executive and Non-Executive Directors to maintain the independence of the Board and separate the functions of Governance and Management through Board and Committees. As at March 31st, 2019, the Board of Directors ("Board") comprises of eight Directors, of which three are Non-Executive Independent Directors and Four are Executive Directors and One Nominee Director. The composition and category of the Board of Directors is as follows:

S.	Name of Former Director	Designation	Category
1	Mr. N Satish Kumar	Managing Director	Promoter
2	Mr. K Radha Krishna	Director & CFO	Promoter
3	Mr. B Sreedhara Reddy	Director Administration	Promoter
4	Ms. T Rohini Reddy	Non-Executive	Independent
5	Mr. Bachala Ashok	Non-Executive Director	Independent
6	Mr. BHR Balaji	Executive Director	Promoter
7	Mr. Ashiwini Kumar Tripathi	Non-Executive Director	Independent
8	Mr. G Viswanath	Nominee Director	Nominee(Bank of

Note: during the year under review the company was admitted to IRP by the Hon'ble NCLT, Hyderabad on 05th October, 2018 from which the Board of Directors was suspended.

b) Attendance of each director at the Board meetings and at the last Annual General Meeting:

The particulars of attendance of Board Meetings and Annual General Meeting by Directors for the financial year ended 31.03.2019 has been set out here below:

S. No.	Name of Director	No. of Board Meetings		Attendance at last AGM
		Held	Attended	
1	Mr. N Satish Kumar	3	3	Yes
2	Mr. K Radha Krishna	3	3	Yes
3	Mr. B Sreedhara Reddy	3	3	No
4	Ms.T Rohini Reddy	3	3	Yes
5	Mr. Bachala Ashok	3	3	Yes
6	Mr. BHR Balaji	3	3	No
7	Mr. Ashiwini Kumar Tripathi	3	3	No
8	Mr. G Viswanath	3	3	No

Note: the meetings held upto 05th October, 2018 were taken on record for the Board Meetings and later on the RP Mrs. CA G Kalpana conducted two more meetings during the year under review.

c) Number of Other Directorships, Committee Membership(s) & Chairmanship(s):

S. No.	Name of Director	Other Directorships	Committee Membership	Committee Chairmanship
1	Mr. N Satish Kumar	2	-	-
2	Mr. K Radha Krishna	2	-	-
3	Mr. B Sreedhara Reddy	2	-	-

4	Ms. T Rohini Reddy	-	-	-
5	Mr. Bachala Ashok	-	-	-
6	Mr. BHR Balaji	1	-	-
7	Mr. Ashiwini Kumar	6	-	-
8	Mr. G Viswanath	-	-	-

- The number of total directorships is in accordance with Section 165 of the Companies Act, 2013.
- The Number of Directorships, Committee memberships and Chairmanships of all listed and unlisted companies are within the limits as per Regulation 26 of SEBI (LODR) Regulations, 2015 and erstwhile Clause 49(II)(D)(2) of the Listing Agreement.

d) Number of Board Meetings held and the date on which held:

In terms of compliance with the requirement of Regulation 17(2) of SEBI (LODR) Regulations, 2015, Eight Board Meetings were held during the financial year ended 31.03.2019.

The dates on which the Board meetings were held are:

21/05/2018 27/08/2018 31/08/2018 14/11/2018 14/02/2019

e) Disclosure of relationship between former directors inter-se

None of the Directors are related to any other Director.

f) Shares held by former Non-Executive Directors

The number of equity shares of the Company held by the non-executive directors, as on 31.03.2019 are as follows:

S	Name of the Director	No of Equity Shares
1	Ms. T Rohini Reddy	5000
2	Mr. Bachala Ashok	-
3	Mr. Ashiwini Kumar Tripathi	20,600

g) The details of familiarization programs imparted to independent directors is given below

Your Company follows a structured orientation and familiarization programme through various reports/codes/internal policies for all the Directors with a view to update them on the Company's policies and procedures on a regular basis. Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved.

BOARD COMMITTEES:

Details of the Board Committees and other related information are provided hereunder:

1. AUDIT COMMITTEE:

a) Brief description of terms of reference:

The role and terms of reference of the Audit Committee are set out in Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, besides other terms as may be referred to by the Board of Directors of the Company. The terms of reference of the Audit Committee broadly are:

1. Review of financial reporting systems;
2. Ensuring compliance with regulatory guidelines;
3. Reviewing the quarterly, half yearly and annual financial results;
4. Approval of annual internal audit plan;
5. Review and approval of related party transactions;
6. Discussing the annual financial statements and auditor's report before submission to the Board with particular reference to the
 - i. Director's Responsibility Statement;
 - ii. Major accounting entries;
 - iii. Significant adjustments in financial statements arising out of audit findings;
 - iv. Compliance with listing requirements etc.;
7. Interaction with statutory, internal and cost auditors;
8. Recommendation for appointment and remuneration of auditors; and
9. Reviewing and monitoring the auditor's independence and performance etc.

Further the Audit Committee also mandatorily reviews the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
 - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of SEBI Listing Regulations;
 - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of SEBI Listing Regulations.

In addition to the above, the Audit Committee also reviews the financial statements, minutes and details of investments made by the subsidiary companies.

b) Composition, Name of members and Chairman:

As on March 31st, 2018, the Audit Committee comprises of three (3) Independent Directors. The Chairperson of the Audit Committee is Independent Director. The composition of the Committee is in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations:

S	Name of the Director	Desianation
1	Ms. T Rohini Reddy	Chairperson
2	Mr. Ashiwini Kumar Tripathi	Member
3	Mr. Bachala Ashok	Member

- CFO, Statutory Auditors and Internal Auditors attend the Audit Committee meetings on invitation and the Company Secretary acts as the Secretary of the Committee.
- Minutes of meetings of the Audit Committee are placed before the Board and discussed in the meeting.

c) Meetings and attendance during the year:

- Two Audit Committee Meetings were held during the financial year ended March 31, 2019. The maximum time gap between any of the two meetings was not more than one Hundred and Twenty days.
- The Audit Committee meetings were held on
21.05.2018 27.08.2018
- Attendance at the Audit Committee Meeting:

S No	Name of the Director	Number of Meetingas	
		Held	Attended
1	Ms. T Rohini Reddy	2	2
2	Mr. Ashiwini Kumar Tripathi	2	2
3	Mr. Bachala Ashok	2	2

The Statutory Auditors and Internal Auditors of the Company have also attended the above meetings on invitation. The recommendations made by the Audit Committee from time to time have been followed by the Company. The Chairperson of the Audit Committee has attended the Annual General Meeting to answer the queries raised by the Shareholders regarding Audit and Accounts.

2. NOMINATION & REMUNERATION COMMITTEE:

a) Brief description of terms of reference

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director;
- Recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- Carry on the evaluation of every director's performance;

- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- Formulation of criteria for evaluation of Independent Directors and the Board;
- Devising a policy on Board diversity; and
- Any other matter as the Board may decide from time to time.

b) Composition, Name of members and Chairman:

The Nomination and Remuneration Committee was constituted by the Board with 3 Independent Directors. The following is the composition of the Committee.

S	Name of the Director	Designation
1	Ms. T Rohini Reddy	Chairman
2	Mr. Bachala Ashok	Member
3	Mr. Ashiwini Kumar Tripathi	Member

- The Company Secretary acts as the Secretary of the Committee.-
- Minutes of meetings of the Nomination and Remuneration Committee are circulated to all the members of the Board.

c) Nomination and Remuneration Committee meetings

During the period from April 1st, 2018 to March 31st, 2019, No Nomination and Remuneration Committee Meetings were held.

S No	Name of the Director	Number of Meetings	
		Held	Attended
1	Mr. Bachala Ashok	-	-
2	Ms. T Rohini Reddy	-	-
3	Mr. Ashiwini Kumar Tripathi	-	-

d) Nomination and Remuneration policy

- The nomination and remuneration committee has adopted a Nomination and Remuneration Policy which, inter-alia, deals with the manner of selection of Board of Directors, KMP & other senior management and their remuneration. Executive Directors and KMP are eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The Executive Director and KMP remuneration is determined based on levels of responsibility and scales prevailing in the industry. The executive directors are not paid sitting fee for any Board/Committee meetings attended by them.

- The Non-executive directors are not paid sitting fees for attending meetings of Board/Committee.
- e) **Performance Evaluation of Directors.** The criteria and the procedure for the process of Board evaluation is mentioned in the Directors' report.

3. INDEPENDENT DIRECTORS' MEETING:

During the year, meeting of Independent Directors was not held as the board was suspended from 05th October, 2019 to review the performance of the Board as a whole on parameters of effectiveness and to assess the quality, quantity and timeliness of flow of information between the management and the Board.

Remuneration of Directors

a) Details of Remuneration of Non - Executive Directors:

- There were no pecuniary transactions with any non-executive director of the Company.
- Sitting Fee is not paid to Non-Executive Directors for attending the Board and Committee Meetings

b) Details of Remuneration of Executive Directors and Key Managerial Personnel

Name of the Director	Salary	Total
Mr.N Satish Kumar	-	-
Mr. K Radha Krishna	-	-
Mr. B Sreedhara Reddy	-	-
Ms. Ankita Damani	0.47	0.47
Total		0.47

4. STAKEHOLDERS RELATIONSHIP COMMITTEE:

a) Brief description of terms of reference:

The Stakeholders Relationship Committee oversees and reviews all matters connected with the share transfers and also looks into redressing of shareholders complaints like transfer of shares, non-receipt of annual report/dividends etc. The committee oversees the performance of the Registrar of Transfer Agents and recommends measures for overall improvement in the quality of investor services. Email-Id for Investor Grievance: investors@sol.net.in

b) Composition:

S No	Name of the Director	Designation
1	Ms. T Rohini Reddy	Chairperson
2	Mr. N Satish Kumar	Member
3	Mr. K Radha Krishna	Member

c) Name and Designation of Compliance Officer:

w.e.f. 05th October, 2018 Mrs. CA G Kalpana, RP was appointed as Resolution Professional and later as a Liquidator of the company.

d) Number of Shareholders complaints received so far.

During the year ended March 31st, 2019, the Company has not received any complaints.

e) Number of complaints not resolved to the satisfaction of shareholders is Nil.

f) There were no pending complaints as at the year end.

5. GENERAL BODY MEETINGS:

i. Location and Time, where last three Annual General Meetings held:

Year	Locations	Date	Tim
21 st AGM (2018-19)	Anion Conference Room, 8 th Floor, Swarna Jayanti Complex, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038	06 th December, 2020.	11.30 A.M
20 th AGM (2017-18)	Dwaraka Conference Hall, Bandlaguda Cross Roads, Rajendranagar Mandal, Hyderabad -500 080	29 th September, 2018	10.00 A.M
19 th AGM (2016-17)	Dwaraka Conference Hall, Bandlaguda Cross Roads, Rajendranagar Mandal,	30 th December, 2017	10.00 A.M

6. MEANS OF COMMUNICATION:

(a) Financial / Quarterly Results:

The quarterly results of the Company are published in accordance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in widely circulated newspapers namely Financial Express (English daily) and Mana Telangana.

(b) Newspapers wherein results normally published

The results of the Company are published in widely circulated newspapers namely Financial Express (English daily) and Mana Telangana.

(c) Any website, where displayed

The results of the Company are published on the Company's website: www.sol.net.in

(d) Whether it also displays official news releases

Official news releases along with quarterly results are displayed on the Company's website: www.sol.net.in

(e) Presentations made to institutional investors or to the analysts.

There are no presentations made to the investors / analysts.

The website www.sol.net.in contains a separate dedicated section for the Company's "Investor Relations" where shareholders' information is available. The full Annual Report, shareholding pattern etc. is also available in the 'Investor Relations' sections on the website of the Company.

7. GENERAL SHAREHOLDER INFORMATION:

Annual General Meeting	Date : 06 th December, 2020
	Time : 11.30 AM
	Venue : Anion Conference Room, 8th Floor, Swarna Jayanti Complex, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038
Financial Calendar	1 st April to 31 st March.
Date of Book Closure	28.11.2020 to 06.12.2020 (both days inclusive)
Dividend Payment Date	Nil
Listing on Stock Exchanges	BSE Ltd
Scrip/Stock Code	532669 on BSE
ISIN Number for	INE371B0101521

MARKET PRICE DATA:

Month	BSE	
	High (Rs.)	Low (Rs.)
Apr-18	2.99	2.20
May-18	2.52	1.72
Jun-18	1.92	1.33
Jul-18	1.76	1.18
Aug-18	1.24	0.98
Sep-18	1.91	1.15
Oct-18	1.98	1.74
Nov-18	2.16	1.80
Dec-18	2.04	1.90
Jan-19	2.10	1.88
Feb-19	1.85	1.58
Mar-19	1.68	1.53

REGISTRAR & TRANSFER AGENTS

Aarthi Consultants Pvt Ltd
 1-2-285, Domalguda, Hyderabad - 500 029
 Tel No.040-27638111
 E-mail: info@arthiconsultants.com

M/s. Aarhi Consultants Private Limited

Share Transfer System

SEBI vide its Circular No. CIR/MIRSD/8/2012, dated July 5, 2012 has reduced the time-line for registering the transfer of shares to 15 days, the Physical share transfers are processed and the share certificates are returned to the shareholders within a maximum period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. In compliance with the Listing Agreement with the Stock Exchanges, a Practicing Company Secretary carries out audit of the system of transfer and a certificate to that effect is issued.

92.71% of the company's paid up Equity Share Capital is in dematerialized form as on 31st March 2018 and balance 7.29% is in physical form. The Company's Registrars are M/s Aarhi Consultants Pvt. Ltd., having their registered office at 1-2-285, Domalguda, Hyderabad - 500 029.

Plant Locations:

Unit 1	Samsthan Narayanapur, Nalgonda Dist., Telangana
Unit 2	Plot.No. 45/A, APIIC-SEZ Atchutapuram (V&M) Visakhapatnam Dist-531011, AP.

Address for Correspondence

S.No	Shareholders Correspondence for	Address
1	Transfer/Dematerialization/Consolidation/Split of shares, Issue of Duplicate Share Certificates, Non- receipt of dividend/ Bonus shares, etc., change of address of Members and Beneficial Owners and any other query relating to the shares of the Company.	M/s. Aarhi Consultants Pvt Ltd 1-2-285, Domalguda, Hyderabad - 500029. Tel:(040)27642217/27638111 Fax: (040) 27632184 Email:info@aarhiconsultants.com
2	Investor Correspondence / Queries on Annual Report, Revalidation of Dividend Warrants, Sub-Division, etc.	Southern Online Bio Technologies Limited Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad – 500 004 Website: www.sol.net.in, E-mail: info@sol.net.in

8. OTHER DISCLOSURES

- a. **Disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large;**

Besides the transactions mentioned elsewhere in the Annual Report, there were no materially significant related party transactions during the year conflicting with the interest of the Company.

b. Details of non-compliance by the listed entity, penalties, structures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years; None

c. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee;

Pursuant to Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing regulations, 2015, the Company has formulated Whistle Blower Policy for vigil mechanism for Directors and employees to report to the management about the unethical behaviour, fraud or violation of Company's code of conduct. The mechanism provides for adequate safeguards against victimization of employees and Directors who use such mechanism and makes provision for direct access to the Chairperson of the Audit Committee in exceptional cases. None of the personnel of the Company has been denied access to the Audit Committee. The policy is available on the Company website, www.sol.net.in. During the financial year under review, none of the Complaint has received.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements;

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non-mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

e. Web link where policy for determining 'material' subsidiaries is disclosed;

The policy for determining 'material' subsidiaries is available on the website of the Company <http://www.sol.net.in>

f. Web link where policy on dealing with related party transactions;

The policy on dealing with related party transactions is available on the website of the Company: <http://www.sol.net.in>

g. Disclosure of commodity price risks and commodity hedging activities:

Not applicable

9. The Company Complied with the requirements of the Schedule V Corporate Governance report sub- paras(2) to (10) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. Details of compliance with mandatory requirements and adoption of Discretionary Requirements

The Company has complied with all the mandatory requirements of Corporate Governance as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Adoption of non- mandatory requirements pursuant to SEBI (LODR), 2015 is being reviewed by the Board from time to time.

11. The Disclosures of the compliance with Corporate Governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 are as follows:

Regulation	Particulars of Regulation	Compliance Status(Yes/No)
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stake Holders Relationship Committee	Yes
21	Risk Management Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance requirement with respect of	Yes
25	Obligation with respect to Independent Director	Yes
26	Obligation with respect to Directors and Senior Management	Yes
27	Other Corporate Governance Requirement	Yes
46(2)(b)to(i)	Website	Yes

Note: the former Board of Directors were suspended w.e.f. 05th October, 2018 due to admission of company for resolution process by the Hon'ble NCLT Order.

12. Code of Conduct

The Company has in place a comprehensive Code of Conduct applicable to all the employees and Non-executive Directors including Independent Directors. The Code is applicable to Non-executive Directors including Independent Directors to such extent as may be applicable to them depending on their roles and responsibilities. The Code gives guidance and support needed for ethical conduct of business and compliance of law. A copy of the Code has been posted on the Company's website.

13. CEO and CFO Certification

In line with the requirements of Schedule-V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Mrs. CA G Kalpana, RP, Mr. K Radha Krishna, Chief Financial Officer (CFO) have submitted a certificate, certifying inter-alia, that the Financial Statements and the Cash Flow Statement for the year ended March 31st, 2019 were reviewed to the best of their knowledge and belief, that they do not contain any material untrue statement, do not omit any material facts, are not misleading statements, together present a true and fair view and are in compliance with the applicable laws and regulations. The certificate further confirms that the transactions entered into by the Company for establishing internal control, financial reporting, evaluation of the internal control systems and making of necessary disclosures to the Auditors and the Audit Committee have been complied with.

14. Disclosure with respect to Demat suspense account/ unclaimed suspense account:

Pursuant to the SEBI Circular and Regulation 39 of the SEBI Listing Regulations, 2015, during the year under review, there are 9,181 Equity Shares of Rs 10/- each in the Demat suspense account of the Company.

15. Proceeds from public issues, rights issues, preferential issues, etc.

During the year ended March 31st, 2019, there were no proceeds from public issues, rights issues, preferential issues, etc.,

16. The Company has adopted the policy on dissemination of information on the material events to stock exchanges in accordance with the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. **The said policy is available on the website of the Company <http://www.sol.net.in>**

17. The Company has adopted the policy on preservation of documents in accordance with the Regulation 9 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Documents Preservation Policy is available on the website of the Company: <http://www.sol.net.in>.

18. Company's Policy on prevention of insider trading:

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, and in continuation with your Company's efforts to enhance the standards of corporate governance

RP AND CFO CERTIFICATION

We hereby certify that:

- a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 31st March 2019 and that these statements;
 - i. Do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - ii. Together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of Business conduct and Ethics.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to address these deficiencies.
- d) We have disclosed, wherever applicable to the Auditors and the Audit Committee:
 - i. That there were no deficiencies in the design or operations of Internal Controls that could adversely affect the company's ability to record, process, summarize and report financial data including any corrective actions;
 - ii. That there are no material weaknesses in the internal controls over financial reporting;
 - iii. That there are no significant changes in internal control over financial reporting during the year;
 - iv. All significant changes in the accounting policies during the year, if any, and that the same have been disclosed in the notes of the financial statements; and
 - v. That there are no instances of significant fraud of which we have become aware of and involvement therein of the management or an employee having a significant role in the company's internal control system over financial reporting.

By order of the Board

For Southern Online Bio Technologies Limited

November 13, 2020
Hyderabad

CA G Kalpana, RP
Resolution Professional

Radha Krishna K
CFO

INDEPENDENT AUDITOR'S REPORT

To the Members of SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

Report on the Ind AS Financial Statements

Corporate Insolvency Proceedings as per Insolvency and Bankruptcy code, 2016 (IBC)

The Hon'ble National Company Law Tribunal, Hyderabad Bench ("NCLT") admitted an insolvency and bankruptcy petition filed by a financial creditor against Southern Online Bio Technologies Limited ("the Company") and appointed Mr G. kalpana to act as Interim Resolution Professional (IRP) with direction to initiate appropriate action contemplated with extent provisions of the Insolvency and Bankruptcy Code, 2016 and other related rules.

Qualified Opinion

We have audited the accompanying financial statements of Southern Online Bio Technologies Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph below, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the company as at 31st March, 2019, and its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Qualified Opinion:

1. Note No: 42 to the Financial Statements, the company has defaulted in repayment of dues to their respective Banks/Financial institutions and turned into NPA (Non Performing Asset). During the financial year 2018-19 the company has not provided interest on loans outstanding to compliance of minimum presentation and disclosure requirement as per schedule III of the companies act, 2013. We are unable to comment effect on statement of Profit & loss account and other equity on account

of non provision of interest.

2. Note No: 44 to the financial statements, The Hon'ble National Company Law Tribunal, Hyderabad (NCLT) by an order dated 05.10.2018 admitted the corporate insolvency resolution process (CIRP) application filed against the Company. The Honorable NCLT appointed Ms. G. Kalpana as Interim Resolution professional and conformed to continue as Resolution professional. In views of the ongoing CIRP and suspension of the powers of Board of directors and as explained to us, the powers of adoption of this financial statements vests with RP under provisions of the code.
3. Note No: 46 to the financial statements, in respect of preparation of financial statements of the company on the basis of going concern for the reasons stated there in and expiry of timeline to complete the process of CDR/SDR. However, the eroded Networth, Non Repayment of Loans, Non Operational of the Bio-Diesel Division and Fixed Assets Coverage Ratio (FACR) which significantly affects the company's ability to continue as a going concern. The company incurred losses during previous year and current financial year. In the current year, the company incurred loss of Rs. 16.03 Crores. On account of accumulated losses, the paid-up capital and reserves of the company have been completely eroded as at 31st March, 2019. The company has obligations towards fund based borrowings aggregating to Rs. 36,711.35 Lakhs, Operational creditors, statutory dues, subject to reconciliation/verification by the Resolution Professional (RP), that have been demanded/recalled by the financial/operating creditors pursuant to ongoing corporate Insolvency Resolution Process (CIRP). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the company's ability to continue as going concern and therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The ultimate outcome of these matters is at present not ascertainable. Accordingly we are unable to comment on the consequential impact, if any, on the accompanying financial statements.
4. Note 46 and 47 to the financial statements, in respect of various claims, submitted by the financial creditors (including claims towards fund based and non-fund based exposure and claims on behalf of subsidiary companies and other parties) , operational creditors, workmen or employee and authorized representative of workmen and employees of the Company to Resolution Professional pursuant to the Insolvency and Bankruptcy Board of India (Insolvency Resolution Process for Corporate Persons) Regulation 2016, that are currently under consideration/reconciliation. Pending reconciliation/admission of such claims by the RP, we are unable to comment on the consequential impact, if any, on the accompanying statement;
5. Note No: 39 to the financial statements, in respect of non-availability of confirmations of Trade Receivables and various advances. In the absence of alternative corroborative

-
- evidence, we are unable to comment on the extent to which such balances are recoverable.
6. Note No: 39 to the financial statements, in respect of non-availability of confirmations of Trade Payables and various advances/borrowings. In the absence of alternative corroborative evidence, we are unable to comment on the extent to which such balances are payable.
 7. Note No: 48 to the financial statements, in respect of non-availability of physical verification reports of fixed assets and inventories aggregating to Rs. 11,153.47 Lakhs, as at 31st March, 2019 and no provision for impairment has been made for the reasons stated therein. In the absence of alternative corroborative evidence, we are unable to comment on carrying value of Fixed Assets and realisable value of Inventories.
 8. Note No: 32 to the Financial Statements, In respect of recognition of deferred tax assets on account of carried forward unused tax losses and other taxable temporary differences aggregating to Rs. 6,143.24 Lakhs. The management of the company is confident that sufficient future taxable income will be available against which such deferred tax assets will be realised. However, in our opinion, in absence of convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized, such recognition is not in accordance with Indian Accounting Standard 12 "Income Taxes" (Ind AS 12), Had the aforesaid deferred tax assets not been recognised, Loss after tax for the year ended 31st March, 2019 would have been higher by Rs. 6,143.24 Lakhs, Other equity would have been lower by Rs. 6,143.24 Lakhs.
 9. Company is irregular in paying undisputed statutory dues that are subject to reconciliation towards TDS, Provident Fund, Employees State Insurance and Goods and Service Tax for the year ended 31st March, 2019 (Refer Clause (vii) of the Annexure to the Audit Report)

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation and presentation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance (including the other comprehensive income), cash flows and Statement of Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the

Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Pursuant to ongoing Corporate Insolvency Resolution Process (CIRP) powers of the board of Directors have been suspended and these Powers are now vested with Resolution Professional (RP).

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit Procedures that is appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists; we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A**, a statement on the matters Specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we further report that:
 - a) We have sought and ,except for the effects of the matter described in the Basis for Qualified Opinion have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) Except for the effects of the matter described in the Basis for Qualified Opinion, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c) The Balance Sheet, Statement of Profit and Loss(including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, ,except for the effects of the matter described in the Basis for Qualified Opinion the aforesaid Ind AS financial statements comply with the applicable Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
 - e) In the term of section 17 (1) (b) of the Insolvency and Bankruptcy Code, 2016 ("the Code"), the powers of the board of directors have been suspended and be exercised by the interim resolution professional. Hence, written representation from directors have not been taken on record by the Board of Directors. Accordingly, we are unable to comment whether none of the director is disqualified as on March 31, 2019 from being appointed as a director in the terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in ' **Annexure B**'; and
 - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigation on its financial position to the extent ascertained, in its Ind AS financial statements

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There have been no amounts required to be transferred, to the Investor Education and Protection Fund by the company during the year ended 31st March 2019.

For P C N & Associates.,

Chartered Accountants

FRN: 016016S

M Naveen

Partner

M.No. 237316

Place: Hyderabad

Date: 30.05.2019

Annexure A to the Auditors Report

Annexure referred to in Independent Auditors Report to the Members of Southern Online Bio Technologies Limited on the Ind AS financial statements for the year ended 31st March 2019, we report that:

- i. (a) The company has not produced fixed assets register.

(b) As explained to us, the fixed assets have not been physically verified by the management during the year. Hence we are unable to comment on discrepancies between book record and physical assets. (Refer Point 7 of Basis for Qualified opinion)

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. As explained to us the inventories were physically verified during the year by the management, but proof of such verification has not been produced. Consequently, discrepancies, if any between book stock and physical stock is not ascertained. (Refer Point 7 of Basis for Qualified opinion)
- iii. As register to be maintained by sec 189 of the companies act, 2013 has not been produced we are not in a position to comment on whether the company has granted any loans secured or unsecured to companies, firms, limited liability partnership or other parties.
- iv. We are not in a position to comment on details, as to whether provisions of Sec 185 and Sec 186 have been complied with in respect of loans, guarantees and securities, as relevant information with regard there to have not been provided by the company.
- v. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013 and rules framed there under to the extent notified.
- vi. We have broadly verified the books of accounts and records maintained by the company in respect of products where, pursuant to the rules made by the central government of India, the maintenance of cost records has been specified under the sub-section (1) of section 148 of the Companies Act 2013, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. According to the information and explanations given to us and based on the records of the company examined by us, in respect of the Statutory dues:
- a) There are some delays in depositing undisputed statutory dues including Sales Tax, Service Tax, Value Added Tax (VAT), Cess and other statutory dues applicable to it. Undisputed amounts payable in respect thereof, which were outstanding for more than six months from the date they became payable are as follows:

S.No	Description	Amount (Rs. Lakhs)
1	TDS	20.69
2	VAT	13.62
3	GST	12.34
4	ESI	0.61
5	PF	16.48
6	CST & Others	23.96

- viii. In our opinion, and according to the information and explanations given to us, the company has defaulted in principal repayment & interest to the banks and financial institutions, and those accounts were classified as Non- Performing Assets. (Refer Point 1 of Basis for Qualified opinion)
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments). No term loans were raised by the Company during the year.
- x. According to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the Provisions of clause 3(xii) of the order are not applicable to the company.
- xiii. We are not in a position to comment whether there are any transactions with related party.
- xiv. According to the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company.

- xv. The Company has not entered into non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of clause 3(xv) of the Order are not applicable to the Company.

- xvi. The Company is not required to be registered under section 45-IA of The Reserve Bank of India Act 1934. Accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company.

For P C N & Associates.,

Chartered Accountants

FRN: 016016S

M Naveen

Partner

M.No. 237316

Place: Hyderabad

Date: 30.05.2019

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls under clause (i) of the Sub-section 3 of the Section 143 of the Companies Act, 2013 ('The Act')

We have audited the internal financial controls over financial reporting of **Southern Online Bio Technologies Limited** ("the Company") as of 31st march 2019 in conjunction with our audit of Ind AS financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our Audit. We conducted our audit in accordance with the Guidance note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the standards on Auditing deed to be prescribed under section 143(10) of the Act to the extent applicable to an Audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. These standards and guidance note require that we comply with ethical requirements and plan and performed the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our Audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's

Judgement, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion and the company's internal financial control system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes these policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted principles, and that receipts and expenditures of the company are being made only in accordance with authorization of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitation of Internal Financial Controls over Financial Reporting

Because of the inherent limitation of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be deducted. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified Opinion

1. The Company has no appropriate internal controls for reconciliation of physical inventory with the inventory records, which has resulted in misstatement of inventory values in the books of account.
2. The Company has no appropriate internal controls for assessment of recoverability of deferred tax asset.

3. The Company has no appropriate internal controls for recording financial information and maintenance of books of account, ledgers and other records.
4. The Company has no appropriate internal controls for confirmation and reconciliation of trade receivables, trade payables, other current assets and current liabilities.
5. The Company has no appropriate internal controls for the verification of fixed assets.

The inadequate supervisory and review control over Company's process in respect of aforesaid assessment in accordance with the accounting principles generally accepted in India could potentially result in a material misstatement in preparation and presentation of financial statement including the profit/loss after tax.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

In our opinion, the company has, in all material respects, except for the effects of the matter described in the Basis for Qualified Opinion, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31st, 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended on March 31, 2019, and these material weaknesses have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements.

For P C N & Associates.,

Chartered Accountants

FRN: 016016S

M Naveen

Partner

M.No. 237316

Place: Hyderabad

Date: 30.05.2019

STANDALONE BALANCE SHEET AS AT MARCH 31ST, 2019

Particulars	Note No	31.03.2019	31.03.2018
		(Rupees)	(Rupees)
I. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Property, Plant and Equipment	1	1,06,94,92,947	1,18,14,18,170
(ii) Capital work-in-progress			
(b) Financial assets: Investments	2	60,01,108	60,01,108
(c) Deferred tax assets (net)	3	77,31,75,635	15,88,51,977
(d) Long term loans and advances	4	1,29,32,310	1,28,13,846
(e) Other non-current assets	5	21,34,925	34,35,425
(2) Current assets			
i) Financial assets:			
(a) Inventories	6	4,58,53,762	4,58,53,762
(b) Trade receivables	7	4,35,62,581	4,91,79,444
(c) Cash and cash equivalents	8	36,33,066	49,59,827
(d) Short-term loans and advances	9	22,74,77,835	22,81,51,256
(e) Other current assets	10	5,96,61,091	20,93,042
Total		2,24,39,25,260	1,69,27,57,858
II. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Equity Share Capital	11	58,99,32,880	58,99,32,880
(b) Other Equity	12	(2,20,36,83,966)	(2,65,76,79,935)
(2) Share application money pending for allotment	13	30	30
(3) Non-Current Liabilities			
(a) Long-term borrowings	14	1,85,60,35,957	1,65,42,70,592
(b) Defferred tax liabilities (Net)			
(b) Other Long term liabilities	15	5,85,60,571	6,13,14,262
(d) Long term provisions			
(4) Current Liabilities			
(a) Short-term borrowings	16	1,81,62,70,302	1,74,89,26,814
(b) Trade payables	17	10,13,59,302	5,40,90,594
(c) Other current liabilities			
(c) Short-term provisions	18	2,54,50,184	24,19,02,621
Total		2,24,39,25,260	1,69,27,57,858
Summary of Significant Accounting Policies the accompanying Notes are an Integral Part of the Financial Statements			
AS PER OUR REPORT OF EVEN DATE		For Southern Online Bio Technologies Ltd.	
For P C N & Associates., (Formerly Known as Chandra Babu Naidu & Co.) Chartered Accountants FRN: 016016S Sd/- M. Naveen Partner Membership No: 237316 Place : Hyderabad Date : 30/05/2019		Sd/- G. Kalpana Resolution Professional	Sd/- K. Radha Krishna Former Director & CFO

Standalone Statement of Profit & Loss for the Year ended March 31st, 2019

Particulars	Note No	For the 12 Months ended 31.03.2019	For the 12 Months ended 31.03.2018
		(Rupees)	(Rupees)
I. Net Sales / Income from Operations (Net of Excise Duty)	19	2,59,34,662	6,40,38,188
II. Other Operative Income	20	1,11,31,742	2,90,13,054
III. Total Income From Operations Revenue (I+II)		3,70,66,404	9,30,51,242
IV. Expenses:			
Cost of materials consumed	21	-	92,97,502
Purchase of Stock-in-Trade	21	-	-
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	22	-	1,67,56,423
Employee benefit expense	23	81,69,622	79,40,857
Other operating expenses	24	2,45,32,796	1,02,99,94,598
Administrative Expenses	25	43,60,601	75,08,641
Financial costs	26	6,13,77,330	23,07,64,338
Depreciation and amortization expense	1	9,89,53,744	10,11,22,140
Total Expenses		19,73,94,093	1,40,33,84,498
V. Profit / (Loss) before tax (III - IV)		(16,03,27,689)	(1,31,03,33,257)
VI. Tax expense:			
(1) Current tax			-
(2) Deferred tax		(61,43,23,658)	2,88,52,106
Net Profit (+) / Loss (-) from ordinary activities after tax (V-VI)		45,39,95,969	(1,33,91,85,362)
VII. Extraordinary items (net of tax expenses)			
a) Loss due to Cyclone Hud Hud.			
b) Insurance claim for Cyclone Loss.			
Net Profit (+) / Loss (-) for the period (VI-VII)		45,39,95,969	(1,33,91,85,362)
VIII. Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss			
(ii) Income tax relating to items that will not be reclassified to profit or loss			
B (i) Items that will be reclassified to profit or loss			
(ii) Income tax relating to items that will be reclassified to profit or loss			
Total Comprehensive Income for the period (VII+VIII)		45,39,95,969	(1,33,91,85,362)
IX. Earnings Per Equity Share - (for Continuing operation)			
Basic (Rs.)		7.70	(22.70)
Diluted (Rs.)		7.70	(22.70)
X. Earnings Per Equity Share - (for Discontinued operation)			
Basic (Rs.)			
Diluted (Rs.)			
XI. Earnings Per Equity Share - (for Continuing & Discontinued operation)			
Basic (Rs.)		7.70	(22.70)
Diluted (Rs.)		7.70	(22.70)
AS PER OUR REPORT OF EVEN DATE For P C N & Associates., (Formerly Known as Chandra Babu Naidu & Co.) Chartered Accountants FRN: 016016S		For Southern Online Bio Technologies Ltd.	
Sd/- M. Naveen Partner		Sd/- G.Kalpana Resolution Professional	Sd/- K. Radha Krishna Former Director & CFO

Membership No: 237316		
Place : Hyderabad Date : 30/05/2019		

Standalone Cash Flow Statement for the Year Ended March 31st, 2019

PARTICULARS	Year Ended 31.03.2019 (Rs)	Year Ended 31.03.2018 (Rs)
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Loss before tax & extraordinary items	(16,03,27,689)	(1,31,03,33,257)
Adjustments for:		
Depreciation	9,89,53,744	10,11,22,140
Written off Expense	(73,90,839)	-
Interest	6,13,77,330	23,07,64,338
Operating Profit before working capital charges	(73,87,454)	(97,84,46,779)
Increase in Loans and Advances	6,73,421	88,30,911
Trade and other receivables	(5,19,51,186)	98,99,66,572
Inventories	-	2,63,30,643
Trade payables	(10,18,40,241)	19,20,59,543
Cash generated from operations	(15,31,18,006)	1,21,71,87,669
Interest paid		
Cash flow before extraordinary items - (A)	(16,05,05,460)	23,87,40,890
NET CASH FLOW FROM OPERATING ACTIVITIES		
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Capital Work in Progress.	-	-
Intrest and exp capitalization	-	-
Sale / (Purchase) of Fixed Assets	2,03,62,319	94,59,057
Investmets made in subsidiaries	(0)	-
Net cash used in investing activities - (B)	2,03,62,319	94,59,057
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Interest	(6,13,77,330)	(23,07,64,338)
Increase / decrease in Secured Loans	11,82,036	46,23,267
Increase / decrease in Long Term liabilities	19,90,11,674	(2,12,57,537)
Net Cash used in Financing activities - (C)	13,88,16,380	(24,73,98,608)
Net increase in cash and cash equivalents - (A-B+C)	(13,26,761)	8,01,339
Cash and Cash equivalents as at (Opening Balance)	49,59,827	41,58,488
Cash and Cash equivalents as at (Closing Balance)	36,33,066	49,59,827
AS PER OUR REPORT OF EVEN DATE For P. C. N Associates., Chartered Accountants FRN: 016016S	For And On Behalf Of The Board of Directors For Southern Online Bio Technologies Limited	
M. Naveen Partner Membership No: 237316 Place : Hyderabad Date : 30/05/2019	G.Kalpana Resolution Professional	K. Radha Krishna Former Director & CFO

NOTE NO: 1 FIXED ASSETS AS ON 31st March, 2018 - Standalone

Sl. No.	Particulars	Gross Block				Depreciation/Amortization				Net Block as on 31.03.2019	Net Block as on 31.03.2018
		As on 01.04.2018	Additions during the year	Sale / Deletions during the year	As on 31.03.2019	Dep. As on 01.04.2018	Dep. For 12 Months	Impairment Loss / Reversal of Impairment Loss for the Year	Total Depreciation		
1	Land	5,46,49,032	-	-	5,46,49,032	-	-	-	-	5,46,49,032	5,46,49,032
2	Buildings @60 Years	58,47,273	-	-	58,47,273	10,82,549	92,387	-	11,74,936	46,72,337	47,64,724
3	Buildings @30 Years	15,20,22,155	-	-	15,20,22,155	3,21,79,042	48,19,102	-	3,69,98,145	11,50,24,010	11,98,43,113
4	Plant & Machinery	1,48,41,93,798	-	1,75,80,632	1,46,66,13,166	48,61,38,112	9,28,36,613	14,69,518	57,75,05,208	88,91,07,958	99,80,55,686
5	Office Equipment	49,00,642	-	-	49,00,642	44,62,711	4,37,531	-	49,00,242	400	4,37,931
6	Computers	9,19,61,443	-	-	9,19,61,443	9,19,52,400	8,743	-	9,19,61,143	300	9,043
7	Furnitures	70,25,955	-	-	70,25,955	51,06,006	5,34,107	-	56,40,113	13,85,842	19,19,949
8	Vehicles	59,74,675	-	27,81,687	31,92,988	42,35,982	2,25,260	59,21,321	(14,60,079)	46,53,067	17,38,693
	Total	1,80,65,74,973	-	2,03,62,319	1,78,62,12,654	62,51,56,802	9,89,53,744	73,90,839	71,67,19,707	1,06,94,92,947	1,18,14,18,171

Note 2: Non Current Investments

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Non- Current Investments.		
	1) Investment in Subsidiaries		
	Equity Shares:		
	a) Southern Biofe Bio Fuels Pvt Ltd - 99.97%	48,34,245	48,34,245
	b) Marvel Bio Oil, FZE, Sharjah	11,66,863	11,66,863
	Total Non - Current Investments	60,01,108	60,01,108

Note 3: Deferred Tax Asset / (Liability)

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Opening Deferred tax Liability	15,88,51,977	18,77,04,083
	Add:	-	-
	Reversal of Deferred Tax asset/(Liability)	-	-
	DTA During the year	61,43,23,658	(2,88,52,106)
	Gross Deferred tax Liability	77,31,75,635	15,88,51,977
	Opening Deferred tax Asset		
	Provision for Gratuity and Compensated Absences and doubtful debte		
	Gross Deferred tax Asset	-	-
	Deferred Tax Asset / (Liability)	77,31,75,635	15,88,51,977

Note 4: Long Term Loans & Advances

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Long - term loans and advances:		
	a) Security Deposit		
	Secured	1,29,32,310	1,28,13,846
	c) Loans and advances to related parties (giving details thereof)		
	Secured		
	Unsecured		
	Doubtful		
	d) Other loans And advances (Specify the nature)		
	Secured		

	Unsecured Doubtful		
	Total Long Term Loans & Advances	1,29,32,310	1,28,13,846

Note No 5: Other Non – Current Assets

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Long term Trade receivable (Including trade receivables on deferred credit basis) Unsecured considered good	21,34,925	34,35,425
	Total non - current assets	21,34,925	34,35,425

Note No 6: Inventories

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Inventories :		
	a) Raw materials		
	Palm Stearin	-	-
	Rice Bran Oil	-	-
	Used Cooking Oil	34,501	34,501
	Seeds	1,57,363	1,57,363
	Fatty Acid Oil	-	-
	RBD Palm Oil	-	-
	Refined Palm Oil	-	-
	Chemicals & Consumables	37,69,555	37,69,555
	Sub Total	39,61,419	39,61,419
	b) Finished goods		
	Bio Diesel.	23,68,600	23,68,600
	Glycerine.	17,52,315	17,52,315
	Rice Bran Oil	-	-
	Sludge and Fatty Acid.	47,64,621	47,64,621
	Other Stock	2,14,10,908	2,14,10,908
	Sub Total	3,02,96,445	3,02,96,445
	c) Stores and spares	1,15,95,898	1,15,95,898
	f) Loose tools		
	Total Inventories	4,58,53,762	4,58,53,762

Note No 7: Trade Receivables

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
1	Unsecured, Considered Good for more than Six Months) Other debts	4,35,62,581	4,91,79,444
	Total Trade Receivables(net)	4,35,62,581	4,91,79,444

Note No 8: Cash & Bank Balances

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Cash and cash equivalents :		
	a) Balances with banks :		
	- On Current Accounts	36,21,894	42,67,911
	b) Cash on hand	11,172	6,91,916
	Total Cash and Cash Equivalents	36,33,066	49,59,827

Note No 9: Short Term Loans & Advances

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Short - Term Loans and Advances:		
	a) Security Deposit		
	LC Margin & Other Deposit	1,67,29,027	1,66,70,268
	Unsecured	-	-
	Doubtfull	-	-
	b) Loans and advances to related parties	-	-
	Secured	-	-
	Unsecured	-	-
	INTER DIVISION	-	-
	b) Other loans And advances	-	-
	Secured - Raw Material etc..	-	-
	Secured - Other Advances	2,51,25,915	2,58,58,095
	Insurance claim	18,56,22,893	18,56,22,893
	Total short term loans & advances	22,74,77,835	22,81,51,256

Note No 10: Other Current Assets

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Unamortised Premium on forward contracts		
	VAT Input / TDS Receivable/ GST Input	5,96,61,091	23,93,042
	Sub Total	5,96,61,091	23,93,042

Note No 11: Equity Share Capital

S. No.	Particulars	As at 31.03.2019		As at 31.03.2018	
		No. of Shares	(Rupees)	No. of Shares	(Rupees)
a	Equity Share Capital (For each class of capital)				
	(a) Authorised	7,50,00,000		7,50,00,000	
	(b) Issued	5,89,93,288	58,99,32,880	5,89,93,288	58,99,32,880
	(c) Subscribed & Fully Paid Up		58,99,32,880		58,99,32,880
	(d) Subscribed & not fully paid up				
	(e) Par value per share Rs. 10				
	Total Equity Share capital		58,99,32,880		58,99,32,880
b	Preference shares at the beginning as per class of shares		-		-
	Add : Issued/Repaid During the year		-		-
	Less : Repaid During the year		-		-
	Preference shares at the end of the Year		-		-
	Total Share capital		58,99,32,880		58,99,32,880
c	calls unpaid :		-		-
	Equity Shares		-		-
	By Directors		-		-
	By Officers		-		-
d	Forfeited shares (amount originally paid up)		-		-
e	A Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period:				
	Equity Shares of Rs.10Each, Fully paid up :				
	At the Beginning		5,89,93,288		5,89,93,288
	Issued during the year - Bonus Issue		-		-
	Issued during the year - Cash Issue		-		-
	Issued during the year – ESOP		-		-
	Issued during the year - Pref Issue		-		-
	Forfeited / Bought Back during the year		-		-
	At the end		5,89,93,288		5,89,93,288
	0				
	At the Beginning		NIL		NIL
	Issued during the year - Bonus Issue		NIL		NIL
	Issued during the year - Cash Issue		NIL		NIL
	Issued during the year – ESOP		NIL		NIL
	Forfeited / Bought Back during the year		NIL		NIL
	At the end		NIL		NIL
f	Details of Shareholder holding more than 5% shares of the company:				
	Equity Shares of Rs. 10 each Held By				
	(a) Share Holder - N. Satish Kumar - No. of Shares (C.Y) 60,27,652, No. of Shares (P.Y) 60,27,652		10.22		10.22
	(b) Share Holder - Al sried Company for Trade Limited - No. of Shares (C.Y) 34,06,769, No. of Shares (P.Y) 34,06,769		5.77		5.77
	(c) Share Holder - Advait BV - No. of Shares (C.Y) 31,14,935, No. of Shares (P.Y) 43,23,267.		5.28		5.28

(d) Share Holder -The Indiaman Fund Mauritius Limited - No. Of Shares (P.Y) 26,64,325.	-	-
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Note 12: Reserves & Surplus

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Other Equity		
	a) Securities Premium Reserve		
	As at the commencement of the year	25,31,87,500	25,31,87,500
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		25,31,87,500	25,31,87,500
	b) Surplus :		
	i) Opening Balance - Profit and Loss Account	(2,94,75,28,212)	(1,60,83,42,850)
	Add: Transfer from Profit & Loss Account	45,39,95,969	(1,33,91,85,362)
	Less: Transfer To General Reserve	-	-
	Less: Adjustment to fixed assets pursuant to enactment of Schedule II of the companies Act 2013.	-	-
	Less: Bonus shares	-	-
	Less: Transfer to/from reservs.	-	-
		(2,49,35,32,243)	(2,94,75,28,212)
	c) Share warrants forfeited premium :		
	As at the commencement of the year	3,31,63,000	3,31,63,000
	Add: Additions during the year	-	-
	Less: Utilised during the year	-	-
		3,31,63,000	3,31,63,000
II	A Reserve specifically represented by earmarked investments	-	-
III	Negative balance of reservs and surplus account	-	-
	Add: VAT Subsidy Received	34,97,777	34,97,777
	Total Other Equity	(2,20,36,83,966)	(2,65,76,79,935)

Note 13: Share Application Money Pending Allotment

S.No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Share Application Money	30	30
	Add : Received	-	-
	TOTAL SHARE APPLICATION MONEY	30	30
	Less : Share application money equity shares allotted	-	-
	Total Share Application Pending Allotment	30	30

Note No 14: Long Term Borrowings

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
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		(Rupees)	(Rupees)
I	Long Term borrowings		
	a) Secured Term Loans from Banks:		
	From banks:		
	Secured		
	Bank of India, Banjara Hills, - Loan for Flats	9,66,706	9,66,706
	IIFL- TATA ACE Vehicle Loan.	-	-
	ICICI Bank - Vehicle Loan.	-	-
	TERM LOANS :	1,80,82,84,641	1,60,65,19,276
	(* Hypothication of Plant & Machinery and Immovable Properties, refer Note No.44 for securities provided)	-	-
	Interest accrued	-	-
	Note : Interest accrued during the F.Y. 2016-17 is treated as short term borrowings (Refer note no.6)	-	-
	b) Unsecured Loans from Directors / Others:	-	-
	Unsecured Loan	4,67,84,610	4,67,84,610
	Total long term borrowings	1,85,60,35,957	1,65,42,70,592

Note No 15: Other Long Term Borrowings

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	a) Other long term liabilities		
	- Other Liabilities	5,81,50,000	5,81,50,000
	- Capex payable	4,10,571	31,64,262
	Total Other Long Term Liabilities	5,85,60,571	6,13,14,262

Note No 16: Short Term Borrowings

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Short term borrowings		
	a) Loans repayable on demand - WC		
	Bank of India	68,47,88,211	65,78,00,581
	State Bank of Hyderabad	50,35,40,870	49,06,61,018
	UCO Bank	14,80,27,100	14,42,40,777
	Punjab National Bank	7,78,89,630	6,03,68,678
	(* Hypothication of stocks and Book debts, refer Note No.44 for securities provided)	-	-
	b) on a/c of Letter of Credit :	-	-
	Bank of India	-	-
	State Bank of Hyderabad	-	-
	UCO Bank	-	-
	Punjab National Bank	-	-
	c) Interest Accruals	40,20,24,491	39,58,55,760

	Total short term borrowings	1,81,62,70,302	1,74,89,26,814
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Note No 17: Trade Payables

S. No.	Particulars	As at 31.03.2019	As at 31.03.2019
		(Rupees)	(Rupees)
I	a) Trade Payables	10,13,59,302	5,40,90,594
	Total Trade Payables	10,13,59,302	5,40,90,594

Note No 18. Short Term Provisions

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	a) Provisions for employee benefits		
	PF Payable	16,48,190	17,09,481
	ESI Payable	61,126	74,458
	Salaries Payable	28,35,955	39,81,803
	b) Others		
	Statutory Liabilities	67,66,179	64,56,583
	Provision for Expenses	1,41,38,734	22,96,80,296
	Total short term provisions	2,54,50,184	24,19,02,621

Note No 19. Revenue from Operations

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
(i)	Revenue from operations		
	(a) Sale of Products	-	2,26,80,565
	(b) Sale of Products (Exports)	-	-
	(c) Sale of Products (Exports Out to Out India)	-	-
	(d) Sale of Services	2,59,34,662	4,13,57,623
	(e) Other Operating Revenues (IROAF Chennai)	-	-
	Less: Excise & Customs Duties	-	-
	Total Revenue from Operations	2,59,34,662	6,40,38,188

Note No 20. Other Income

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	(a) Other non-operating income (net of expenses directly attributed to such income)	1,11,31,742	2,90,13,053.67
II	(b) Net gain/loss on foreign currency translation and transaction (other than considered as finance cost)		-
	Total Other Income	1,11,31,742	2,90,13,054

Note No 21. Cost of Materials Consumed & Purchase of Stock In Trade

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	a) Material		
	Palm Stearin		8,15,163
	Mutton Tallow		-
	Rice Bran Oil		-
	Used Cooking Oil		84,82,339
	Fatty Acid Oil		-
	RBD Palm Oil		-
	Refined Palm Oil		-
	Cost of Material Consumed - Sub Total (A)	-	92,97,502
	b) Purchases - Stock in Trade		-
	Cost of Purchase Stock In Trade - Sub Total (B)		-
	c) Chemicals & Consumables		-
	Cost of Chemicals & Consumables - Sub Total (C)		-
	IROAF Contract Expenses		-
	IROAF Contract Expenses - Sub Total (D)	-	-
	Total Cost Of Material Consumed (A+B+C+D)	-	92,97,502

Note No 22. Change in Inventories & WIP

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	Finished Goods		
	Finished goods at the beginning of the year	3,02,96,445	4,70,52,868
	Less : Finished goods at the end of the year	3,02,96,445	3,02,96,445
	Sub Total (A)	-	1,67,56,423
	Work in Progress		
	Work in progress at the beginning of the year	-	-
	Less: Work in progress at the ending of the year	-	-
	Less : Loss due to Cyclone Hud Hud	-	-
	Sub Total (B)	-	-
II	Stock-in-Trade		
	Finished goods at the beginning of the year	-	-
	Less : Finished goods at the end of the year	-	-
	Sub Total (C)	-	-
	(Increase) / Decrease in Inventories (A+B+C)	-	1,67,56,423

Note No 23. Employee Benefit Expenses

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	(a) Salaries & Wages	80,18,951	64,24,511
	(b) Contribution to Provident & Other Funds	59,869	4,83,416
	(c) Staff Welfare Expenses	90,802	10,32,930
	Total Employee Benefit Expenses	81,69,622	79,40,857

Note No 24. Other Operating Expenses

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	(a) Consumption of Stores & Spares		74,61,382
	(b) Power & Fuel	7,36,468	28,52,151
	(c) Rent	3,98,514	4,35,409
	(d) Repairs to Machinery	17,44,151	12,84,473
	(e) Insurance	7,71,093	1,94,362
	(f) Rates & Taxes (Excluding Income Tax)	75,199	9,40,440
	(g) Bandwidth	1,65,12,455	2,84,22,901
	(h) Other Mfg Expenses	-	2,54,467
	(i) Factory Wages	-	1,07,82,959
	(j) Shipping Charges	-	3,12,890
	(k) Freight charges (Inward)	-	-
	(l) Freight Charges - Outward & Insurance	-	3,20,612
	(m) Other Non Operative Expenses	2,35,094	96,96,60,543
	(n) Loss on Sale of Assets	40,09,458	22,88,306
	(o) Other Expenses	50,364	47,83,703
	Total Other Expenses	2,45,32,796	1,02,99,94,598

Note No 25. Administrative Expenses

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	(a) Telephone, Postage and Others	2,22,253	2,70,944
	(b) Business Promotion Expenses	8,08,854	4,96,815
	(c) Travelling & Conveyance	2,44,117	7,45,699
	(d) Repairs and Maintenance	76,000	2,22,635
	(e) Printing & Stationery Expenses	39,236	1,16,236
	(f) Security Charges	1,94,040	4,14,320
	(g) Rent ,Rates & Taxes (excluding Income Tax)	8,73,313	-
	(h) Managerial Remuneration	-	-
	(i) Consultancy Charges	2,54,500	37,27,775
	(j) Gen Expenses	7,32,162	3,95,582
	(k) Director Sitting Fee / Board Meeting Expenses	75,576	11,869

	(l) Payment to Auditors:	-	
	(i) As Auditor	75,000	75,000
	(ii) For Taxation Matters	50,000	50,000
	(iii) For Company Law Matters	25,000	25,000
	(m) Advertisements	4,36,744	12,000
	(n) Collection Expenses	-	-
	(o) Commission & Discounts	2,53,806	1,34,300
	(p) Accidental / Medical Charges	-	8,10,465
	Total Administrative Expenses	43,60,601	75,08,641

Note No 26. Finance Cost

S. No.	Particulars	As at 31.03.2019	As at 31.03.2018
		(Rupees)	(Rupees)
I	(a) Interest Expenses :	-	
	- Interest on Cash Credit	-	-
	- Interest on Car Loan / Term Loan	-	-
	- Interest on LC & BG Discounts	-	-
	- LC & BG Opening Charges, Bank Charges & others	6,13,77,330	23,07,64,338
	- CDR - Facilitation Charges	-	-
	(b) Other Borrowing costs	-	-
	(c) Applicable net gain/loss on foreign currency translations & transactions	-	-
	Total Finance Cost	6,13,77,330	23,07,64,338

Other Equity

Particulars	Equity Share Capital	Reserves & Surplus						Total
		Equity Component of Compound Financial Instrument	Capital Reserve	Securities Premium Reserve	Share Warrants forfeited Premium	Other Reserves	Profit & Loss	
Balance at the beginning of FY 2018-19	58,99,32,880	-	-	25,31,87,500	3,31,63,000	34,97,777	(2,94,75,28,212)	(2,06,77,47,055)
Change in Accounting Policy or prior period errors								
Restated Balance at the beginning of the reporting period	58,99,32,880	-	-	25,31,87,500	3,31,63,000	34,97,777	(2,94,75,28,212)	(2,06,77,47,055)
Total Comprehensive income for the Quarter 1								
Dividends								
Add: Current Year							45,39,95,969	45,39,95,969
Any Other Charge								
Balance at the end of FY 2018-19	58,99,32,880	-	-	25,31,87,500	3,31,63,000	34,97,777	(2,49,35,32,243)	(1,61,37,51,086)

Note No 27. Notes and Other Explanatory information to financial statements for the year ended March 31st, 2019

1 . Corporate Information

Southern Online Bio Technologies Limited was originally incorporated as Southern Online Services Private Limited vide certificate of incorporation No.01-30463 dated November 9th, 1998 with Registrar of Companies, Hyderabad and subsequently converted into a Public Limited Company on January 4th, 2000. The name of the Company has been Changed to Southern Online Bio Technologies Limited on 31st March 2004 to reflect the new line of business in which the Company has ventured i.e. manufacture of Biodiesel. Currently the Company's shares are listed at BSE.

The Company is one of the first private sector ISPs to commence operations in the state of Andhra Pradesh. However, considering the opportunities in the field of manufacture and supply of alternative fuels to petroleum- based fuels, the promoters have decided to diversify into production and supply of biodiesel. The Company has established 40,000 liters per day capacity Biodiesel production unit from non-edible vegetables oils, fatty acids, animal fats / mutton tallow, etc for partial substitution or using as a blend in fossil diesel. This project is located at Samsthan Narayanpur (v), Nalgonda Dist, Telangana. The Second Bio diesel unit with a capacity of 250 TPD is located at APIIC, SEZ, Visakhapatnam, Andhra Pradesh.

2 . Basis of preparation

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015, 2016 & 2017 and other relevant provisions of the Act.

Property, Plant and Equipment & Intangible Assets

Key estimates related to long-lived assets (property, plant and equipment, mineral leaseholds and intangible assets) include useful lives, recoverability of carrying values and the existence of any retirement obligations. As a result of future decisions, such estimates could be significantly modified. The estimated useful lives of long-lived assets is applied as per the Schedule II of Companies Act, 2013 and estimated based upon our historical experience, engineering estimates and industry information. These estimates include an assumption regarding periodic maintenance and an appropriate level of annual capital expenditure to maintain the assets.

Employee Benefits- Measurement of Defined Benefit Obligation

Management assesses post-employment and other employee benefit obligation using the projected unit credit method based on actuarial assumptions which represent management's best estimates of the variable that will determine the ultimate cost of providing post-employment and other employee benefits.

Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognized as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes its purchase price (after deducting trade discounts and rebates), import duties & non-refundable purchase taxes, any costs directly attributable to bringing the asset to the location & condition necessary for it to be capable of operating in the manner intended by management, borrowing costs on qualifying assets and asset retirement costs. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The activities necessary to prepare an asset for its intended use or sale extend to more than just physical construction of the asset. It may also include technical (DPR, environmental, planning, Land acquisition and geological study) and administrative work such as obtaining approvals before the commencement of physical construction.

The cost of replacing a part of an item of property, plant and equipment is capitalized if it is probable that the future economic benefits of the part will flow to the Company and that its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

Costs of day to day repairs and maintenance costs are recognized into the statement of profit and loss account as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, estimated useful lives and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de recognition of the asset is recognised in the profit or loss in the year the asset is derecognized.

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work in Progress.

Depreciation

Depreciation is provided on Straight Line Method, as per the provisions of schedule II of the Companies Act, 2013 or based on useful life estimated on the technical assessment

Intangible Assets

Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. The company amortizes computer software using the straight-line method over the period of 4 years.

I . Investments

Investments are classified into Current and Long-term investments. Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition is classified as Current Investments. All Other investments are classified as long-term investments.

Long Term Investments are stated at cost and provision for diminution is made if the decline in value is other than temporary in nature. Current Investments are stated at lower of cost and fair value determined on the basis of each category of investments.

II . Inventories

Construction materials, raw materials, consumables, stores and spares and finished goods are valued at lower of cost and net realizable value. Cost is determined on weighted average cost method.

Construction/Development work-in-progress related to project works is valued at lower of cost or net realizable value, where the outcome of the related project is estimated reliably. Cost includes cost of land, cost of materials, cost of borrowings and other related overheads.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

III . Cash and Cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less. Deposits with banks subsequently measured at amortized cost and short term investments are measured at fair value through Profit & Loss account.

IV . Share Capital

Equity shares are classified as equity.

V . Employee Benefits

Employee benefits are charged to the statement of Profit and Loss for the year and for the projects under construction stage are capitalised as other direct cost in the Capital Work in Progress / Intangible asset under development.

Retirement benefits in form of Provident Fund are defined contribution scheme and the contribution are recognised, when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to respective funds.

Gratuity liability is defined benefit obligations and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement in case of defined benefit plans gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income and they are included in retained earnings in the statement of changes in equity in the balance sheet.

Compensated absences are provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Re-measurement as a result of experience adjustment and changes in actuarial assumptions are recognised in profit or loss.

VI . Income Taxes

Income tax expense is comprised of current and deferred taxes. Current and deferred tax is recognized in net income except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current income taxes for the current period, including any adjustments to tax payable in respect of previous years, are recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the tax rates that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and liabilities are recognized for temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases using the tax rates that are expected to apply in the period in which the deferred tax asset or liability is expected to settle, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable income will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced accordingly to the extent that it is no longer probable that they can be utilized.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period.

Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

Deferred tax assets and liabilities are offset when there is legally enforceable right of offset current tax assets and liabilities when the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the entity has legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

VII . Provisions , Contingent Liabilities and Contingent Assets

Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate

used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense and is recorded over the estimated time period until settlement of the obligation. Provisions are reviewed and adjusted, when required, to reflect the current best estimate at the end of each reporting period.

The Company recognizes decommissioning provisions in the period in which a legal or constructive obligation arises. A corresponding decommissioning cost is added to the carrying amount of the associated property, plant and equipment, and it is depreciated over the estimated useful life of the asset.

A provision for onerous contracts is recognized when the expected benefits to be derived by the company from a contract are lower than the unavoidable cost of meeting its obligations under contract. The provision is measured at the present value of the lower of expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the company recognizes any impairment loss on the assets associated with that contract.

Liquidated Damages / Penalty as per the contracts / Additional Contract Claims / Counter Claims under the contract entered into with Vendors and Contractors are recognised at the end of the contract or as agreed upon.

Contingent Liabilities

Contingent liability is disclosed in case of

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation;
- A present obligation arising from past events, when no reliable estimate is possible;
- A possible obligation arising from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company where the probability of outflow of resources is not remote.

Contingent Assets

Contingent assets are not recognized but disclosed in the financial statements when as inflow of economic benefits is probable

VIII . Revenue Recognition

Revenue is recognized and measured at the fair value of the consideration received or receivable, to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The company collects GST, service tax, sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the company. Hence, they are excluded from revenue. The following specific recognition criteria must also be met before revenue is recognized:

Sale of Goods

Revenue from the sale of goods are recognized when there is persuasive evidence, usually in the form of an executed sales agreement at the time of delivery of the goods to customer, indicating that there has been a transfer of risks and rewards to the customer, no further work or processing is required the quantity and quality of goods has been determined, the price is considered fixed and generally title has passed.

Dividends

Dividends are recognized in profit or loss only when the right to receive payment is established.

IX . Foreign Currency Transactions

Transactions in foreign currencies are translated to the functional currency of the company, at exchange rates in effect at the transaction date.

At each reporting date monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the date of the statement of financial position.

The translation for other non-monetary assets is not updated from historical exchange rates unless they are carried at fair value.

X . Earnings per Share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

XI . Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments.

28 . Share Capital

The Equity Share Capital of the company as on 31st March, 2019 is 5,89,93,288 Equity Shares of Rs. 10/- each fully paid up.

During the year:

During the year 2018-19 the Company has not allotted Equity shares.

29 . Secured Loans

The Company's Bio Diesel Divisions has working Capital facilities (inclusive of short term borrowings & LC devolvement's) to the tune of Rs. 18,162.70 Lacs which is secured against stocks and book debts.

30 . Investments

Particulars	As at 31.03.2019	As at 31.03.2018
	(Rupees)	(Rupees)
Non- Current Investments.		
1) Investment in Subsidiaries		
a) Southern Bio Fuels Pvt Ltd - 99.97%		
Opening – As on April 1 st , 2018	48,34,245	48,34,245
Additions during the year		
Closing as on 31 st March 2019	48,34,245	48,34,245
b) Marvel Bio Oil, FZE, Sharjah		
As on April 1 st , 2018	11,66,863	11,66,863
Additions		
Closing as on 31 st March 2019	11,66,863	11,66,863
Total Non - Current Investments	60,01,108	60,01,108

No other investments were made by the company.

31 . Segment Reporting

The activities of the Company can be broadly classified into two segments, viz., Internet Service Provider (ISP), Manufacturing of Bio Diesel, Stock in Trade of Used Cooking Oil and Other Contracts.

The ISP division provides Internet Bandwidth to the Corporate Clients, Educational Institutions, Cyber Cafes, & Individual etc.,

The Bio Diesel division manufactures the Bio Diesel.

Income and direct expenses relation to segments are categorized based on items that are individually identifiable to that segment, while the remainder of cost is apportioned on appropriate basis. Certain expenses which are not specifically allocable to individual segments as the relevant services are used interchangeably. The company therefore believes that it is not practical to provide segment disclosures relating to such expenses. Accordingly, they are separately disclosed as unallowable and directly charged against total income.

In other segment shown in the table given below includes:-

- The income and expenditure relating to 30 TPD capacity bio diesel unit at Tondiarpet, Chennai.
- The income and expenditure relating to Cross country trading of Used Cooking Oil.
- The income and expenditure relating to local Stock in Trade of Rice Bran Oil & RBD Palm Oil.

The assets of the company are used interchangeably between segments, and the management believes that it is not practical to provide segment disclosure relating to total assets and liabilities.

Business Segments:

(Rs. In Lacs)

Statement of Profit and loss for the year ended 31.03.2019	ISP		BIO DIESEL		OTHERS		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Sales / Revenue from Operations (Net of GST)	259.35	413.58	0.00	226.81	0.00	0.00	259.35	640.38
Identifiable Operating Expenses	196.94	921.45	48.15	6764.86	0.23	2874.18	245.33	10560.49
Allocated Expenses	97.70	122.79	1,015.41	1034.81	1.73	8.12	1,114.84	1165.72
Segmental Operating Income	(35.29)	(630.66)	(1,063.56)	(7572.87)	(1.96)	(2882.30)	(1,100.82)	(11085.82)
Unallocated Expenses	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year before Interest	(35.29)	(630.66)	(1,063.56)	(7572.87)	(1.96)	(2882.30)	(1,100.82)	(11085.82)
Finance Cost	1.24	2.00	612.53	2305.43	0.00	0.22	613.77	2307.64
Other income	1.33	4.70	109.98	24.90	0.00	260.53	111.32	290.13
Net profit before taxes and prior period items	(35.20)	(627.96)	(1,566.11)	(9853.39)	(1.96)	(2621.98)	(1,603.28)	(13103.33)

Provision for taxation	0.00	0.00	6,143.24	288.52	0.00	0.00	6,143.24	288.52
Prior Period Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Net profit after taxes and before exceptional items	(35.20)	(627.96)	4,577.13	(10141.92)	(1.96)	(2621.98)	4,539.96	(13391.85)
Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Profit after tax and exceptional items	(35.20)	(627.96)	4,577.13	(10141.92)	(1.96)	(2621.98)	4,539.96	(13391.85)

Geographical segments

(Rs. In Lacs)

Revenues	As at 31.3.2019	As at 31.3.2018
India	259.35	640.38
Outside India	-	-
Total	259.35	640.38

32 . Deferred Tax Asset / Liability

The current charge for income tax is calculated in accordance with the relevant tax regulations applicable to the company. Deferred tax asset and liability is recognized for future consequences attributable to the timing differences that result between the profit offered for income tax and the profit as per the Financial Statements. Deferred Tax asset and liability are measured as per the tax rates/laws that have been enacted or substantively enacted by the balance sheet date.

During the current year, the company recognized the deferred tax asset for an amount of Rs. 6,143.24 lakhs and differential depreciation of the current financial year 2018-19. Such DTA is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such DTL can be realized.

The certainty for earning future taxable income is evidence with that the company is going to utilize the full capacity of plant for generation of Bio Diesel situated at Vizag.

Particulars	As at 31.03.2019	As at 31.03.2018
	(Rupees)	(Rupees)
Opening Deferred tax Liability	15,88,51,977	18,77,04,083
Add:		
Reversal of Deferred Tax asset/(Liability)		
DTA During the year	61,43,23,658	(2,88,52,106)
Gross Deferred tax Asset	77,31,75,635	15,88,51,977
Opening Deferred tax Asset	-	-
Provision for Gratuity and Compensated Absences and doubtful	-	-
Gross Deferred tax Asset	-	-
Deferred Tax Asset / (Liability)	77,31,75,635	15,88,51,977

33 . Foreign Exchange Earnings

(Rupees.)

Particulars.	As at 31.03.2019	As at 31.3.2018
Export of Goods	-	-

34 . Foreign Exchange Outflow

(Rupees.)

Particulars.	As at 31.03.2019	As at 31.3.2018
For Purchases	-	-
For Investment in Subsidiary	-	-
For Subsidiary maintenance	-	-

35 . Director's Remuneration

The Managerial remuneration paid or provided in accordance with Schedule v of the Companies Act, 2013 to the Directors is as follows:

(Rupees.)

Particulars.	As at 31.03.2019	As at 31.3.2018
Salary & Allowances (Whole Time Director)	-	-

36 . Remuneration to Auditors

(Rupees.)

Particulars.	As at 31.03.2019	As at 31.3.2018
Audit Fees	1,50,000/-	1,50,000/-

37 . Details of Related Party Transaction

The company has entered into the following related party transactions as on 31st, March, 2019 such parties and transactions are identified as per Accounting Standard 18

a) The following are the list of related parties:

Name of the Party	Relationship
Southern Biofe Biofuels Pvt. Ltd	99.97 % Subsidiary
Marvel Bio Oil, FZE, Sharjah	100.00 % Subsidiary
Mr. N. Satish Kumar	Promoter & Managing Director
Mr. K. Radha Krishna	Promoter, Director & CFO
Mr. B. Sreedhara Reddy	Promoter & Director Administration
Mr. B. Hare Ram Balaji	Promoter & Executive Director
Mr. B. Ashok	Director
Mrs. Ashiwini Kumar Tripathi	Director
Mrs. Rohini Thondapu Reddy	Director
Mr. B. Prathap	Director

b) The following are the related party transactions:

(Rupees.)

Name of the Party	Relationship	Nature of Transaction	Amount	Amount
			31.03.19	31.03.18
Mrs. Ankita Damani	Company Secretary	Remuneration	-	46,640

Mrs. Ankita Damani appointed as Company Secretary on 24.04.2017 and resigned on 22.05.2017 Note: Company applied for the closure of Marvel Bio Oil FZE Sharjah, UAE and awaiting for the closure certificate from concern authorities.

38 . Earning Per Share

The earning considered in ascertaining the companies earning per share comprise net profit after tax. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the year.

(Rupees)

Particulars	As on 31.03.2019	As on 31.03.2018
Profit available for the equity share holders (Rs)	45,39,95,969	(133,91,85,362)
No. of shares outstanding for EPS-Basis	5.89.93,288	5.89.93,288
No. of shares outstanding of EPS-Diluted	5.89.93,288	5.89.93,288
Basic	7.70	(22.70)
Diluted	7.70	(22.70)

39 . Confirmation of balances could not be obtained as at March 31, 2019 banks balances, bank borrowings and for various trade receivables, trade payables, though, the management has requested for the confirmation of balances. Management believes that no material adjustments would be required in books of account upon receipt of these confirmations.

40 . Bank Guarantees:

The Company has outstanding Bank guarantees and counter guarantees of Rs.20,00,000/- as on 31.03.2019 (Previous year ended 31.3.2017 is Rs. 1,70,00,000/-) to bank, in respect of the guarantees given by the banks in favor of The President of India, Government of India, acting through the Telegraph Authority, Indian Railways Organization for Alternative Fuels(IROAF).

41 . Letter of Credits

The Company has outstanding Letter of Credit which devolved during the financial year 2016-17 and the said devolved amounts are considered as Current Liability.

42 . During the financial year 2016-17 itself the loan accounts held by the company are considered as Non- Performing Assets by the lender banks, the same stand has been continued up to the financial year 2018– 19.

43 . Details of Security:

S.No	Security	Particulars	Charge Owner
1	Principal	<p><u>Working Capital Limits</u> First paripassu charge on current assets by way of hypothecation of stocks and book debts other than current assets of ISP Division which are exclusively charged to BOI. (as per estimates).</p> <p>Second paripassu charge on entire fixed assets of the company both present and future except assets exclusively charged to lenders</p>	<p>Bank of India</p> <p>Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank</p>
2		<p><u>Term Loans/WCTLs/FITLs</u> First paripassu charge on the net block by way of equitable mortgage of land and building (on 33 years lease from APIIC Ltd, Government of Andhra Pradesh) at Vizag and hypothecation of plant and machinery, excluding flats and vehicles exclusively financed by Bank of India at Vizag and Equitable Mortgage of Land and Building, Hypothecation of Plant & Machinery pertaining to existing plant at Nalgonda</p> <p>Second paripassu charge on entire current assets of the company both present and future</p> <p><u>Home Loans</u> Equitable Mortgage of 2 Flats Nos. A 5 and B 5, 5th floor, Samrat Complex, Saifabad, Hyderabad owned by the company now proposed to be transferred to SOSL</p>	<p>Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank</p> <p>Bank of India</p>
3		<p><u>Mortgage Loan</u> Equitable Mortgage of Flat No. A-3, Municipal No.5-9-12/A/3/1 admeasuring 1961.27 sq.ft. along with undivided share of land 30.30 sq. yards on 3rd floor in Municipal No. 5-9-12 and 5-9-12/1 in Samrat Complex situate at Saifabad, Hyderabad, owned by the company and proposed to be transferred to SOSL@</p> <p><u>Autofin Loans</u> Hypothecation of vehicles – 2 Mahindra Cars.</p>	<p>Bank of India</p> <p>Bank of India</p>
1.	Collateral	<p>Extension of equitable mortgage of three flats originally mortgaged as principal security in two Home Loan Accounts and Mortgage Loan Account as detailed above with exclusively charged to BOI.</p>	<p>Bank of India</p>

2.	EQM of open land admeasuring 4477 SqYds (non-agricultural) in S.No. 213/B (aa) & 213/D (ee) at Chitukul Village, PatancheruMandal, Medak District owned by Mr N Satish Kumar, Doc No 4756/2008	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
3.	EQM of open land admeasuring 1815 Sq Yards (non-agricultural) in S.No. 213/B(aa) & 213/D(ee) at Chitukul Village, PatancheruMandal, Medak District owned by Mr B Sreedhar Reddy Doc No 4755/2008	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
4.	EQM of open land admeasuring 1815 Sq Yards (non-agricultural) in S.No. 213/B(a) & 213/D(e) at Chitukul Village, PatancheruMandal, Medak District owned by Mr K Radha Krishna Doc No 4751/2008	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
5.	EQM of open land admeasuring 3388 Sq Yards (non-agricultural) in S.No. 213/B(aa) & 213/D(ee) at Chitukul Village, PatancheruMandal, Medak District owned by Mr KodaliTejas Kumar. Doc No 4753/2008	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
6.	EQM of residential building situated at HNO: 4-22-29/2, S.NO: 191/G, 193/C Chaitnyapuri, Main Road, Guntur City, Guntur district owned by Mr KadiyalaVenkateswaraRao Land : 241.54 Sq Yards G Floor : 1441 SFT Doc no3797/2008	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
7.	EQM of open land admeasuring 266 sq yards (non-agricultural) in S.No. 250/C/2, Plot No. 1032, Ghanapavaram Village, PatancheruMandal, Medak District owned by Mr KadiyalaVenkateswaraRao Doc no. 1960/2007	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
8.	EQM of open land admeasuring 346 sq yards (non-agricultural) in Plot No. 1044, S.No. 187/2, Ghanapavaram village, PatancheruMandal, Medak district owned by Mr KadiyalaVenkateswaraRao Doc no. 3487/2007	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
9.	EQM of open land admeasuring 266 sq yards (non-agricultural) in Plot No. 1043, S.No. 187/2, Ghanapavaram village, PatancheruMandal, Medak district owned by Mr KadiyalaVenkateswaraRao. Doc no.1961/2007	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
10	EQM of Office Premises No. B4, Municipal No. 5-9-12/B/4, 4th Floor, Samrat Complex, Saifabad, Hyderabad owned by Mr KadiyalaVenakeswaraRao and Mr KodaliTejas Kumar Doc No.4540/05	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank

11		EQM of land in the name of Mr. N Satish Kumar at Chitukul, Patancheru, Medak district – 502307 S.No. 214/AA - Doc No 3213/2009 Extent : 2420 SqYd S.No.214/AA Doc No.3212/2009 Extent 2420 Sq Yards	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
12		EQM of property belonging to the company at S.No. 396/8, Dupitur Village, Atchutapuram Ramballi Mandal (next to SEZ), Vishakhapatnam, Extent 34 cents (1645 sq. Yards) of Non Agricultural Land. Doc no:2213/2010	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank
13		Pledge of promoters shares in demat form. (6049479 shares as on 31.03.2014 constituting 17.48% of the paid up capital @ Rs.4.28 per share : low market value at March, 2014)	Bank of India State Bank of India (Earlier State Bank of Hyderabad) UCO Bank Punjab National Bank

44 . As more fully described in Note 45 below, as per section 134 of the Companies Act, 2013, the financial statements of a Company are required to be authenticated by the Chairperson of the Board of Directors, where authorized by the Board or at least two Directors, of which one shall be the Managing Director or the CEO (being a Director), the CFO and the Company Secretary where they are appointed. In view of the ongoing CIRP, powers of the board of directors have been suspended and these powers are, in terms of the code, now vested with Mr. CA G.Kalpana, as Interim Resolution Professional (IRP) to carry out the functions of the Company in his capacity as the IRP from October 5, 2018. Accordingly, Financial statements of the Company for the year ended March 31, 2019 were taken on record and authorized for issue by Resolution Professional (RP).

45 . Bank of India filed a petition under section 9 of the IBC at the Honourable National Company Law Tribunal (NCLT) Hyderabad bench. The Honourable NCLT admitted the petition for initiation of corporate insolvency resolution process (CIRP) on 5th Oct,2018. The process is underway, with the committee of creditors (COC) formed and the Resolution Professional CA G.Kalpana, IP Regd. No. IBBI/IPA-001/IP-P00756/2017- 2018/11288 appointed.

46 . During the year, the Company has incurred a net loss before tax of 16.03 Crores resulting in to accumulated losses of 249.35 Crores as at March 31, 2019 and erosion of its Net worth. The Company has obligations towards fund based borrowings aggregating to 36,711.35 Lakhs, Operational creditors, statutory dues subject to reconciliation/verification as stated in Note 47 below, that have been demanded/recalled by the financial creditors pursuant to CIRP. The Company's ability to continue as going concern is dependent upon many factors including continued support from the financial creditors, operational creditors and submission of a viable revival plan by the prospective investor/bidder. In the opinion of the management, resolution and revival of the company is possible in foreseeable future, accordingly, in view of ongoing CIRP, above results have been prepared on the basis that the Company is a Going Concern.

47 . Pursuant to the commencement of Corporate Insolvency Resolution Process of the Company (CIRP) under Insolvency and Bankruptcy Code, 2016 (IBC), there are various claims submitted by the operational creditors, the financial creditors, employee and other creditors against the Company including the claim on Company's subsidiaries. Some of these claims are under further verification/validation and the same may be updated as per any additional information which may be received in future.

48 . Physical verification for fixed assets aggregating to 10,694.93 Lakhs (WDV as on March 31, 2019) and inventory aggregating to 458.54 Lakhs could not be carried out. Management believe that no item of fixed assets and inventory has a net realizable value in the ordinary course of business which is less than the amount at which it is included in the fixed assets and inventories. Accordingly, no provision is required in respect of such fixed assets and inventories.

49 . The Visakhapatnam unit of the company was effected by the natural calamity i.e., Cyclone Hudhud on 12th October 2014. Due to the cyclone, the unit has incurred the loss of Rs. 1,856.22 lakhs. The damages are covered with the insurance and the petition for the claim of such losses has already been filed with the insurance company. The said claim of the company is pending for approval since past 3 years with the National Insurance Company Limited.

50 . Previous period figures have been regrouped, wherever necessary, for the purpose of comparison.

51 . The figures have been rounded off to the nearest rupee.

**As Per Our Report of Even Date
For P C N & Associates.,
Chartered Accountants
Firm No: 016016S**

**For And On Behalf Of The Board
For Southern Online Bio Technologies Limited**

**M Naveen
Partner
Membership No:237316**

**KALPANA.G
Resolution Professional**

**K.RADHA KRISHNA
Former Director & CFO**

**PLACE: Hyderabad
DATE: 30.05.2019**

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

(CIN: L72900TG1998PLC030463)

Registered Office: Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad - 500004

Email: cs@sol.net.in, website: www.sol.net.in

Form MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Regd. Folio No :	DPID : NA
No of Shares Held :	Client ID : NA

I, _____ being the member of Southern Online Bio Technologies Limited holding _____ equity shares of the above named company, hereby appoint

Name & Address:

Email ID:

Signature: _____

and whose signatures are appended below as my proxy to attend and vote, in case of a poll, for me and on my behalf at the 21st Annual General Meeting of the Company, to be held on Sunday, the 06th day of December, 2020 at 11.30 AM at Anion Conference Hall, Swarna Jayanti Complex, 8th Floor, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038 and at any adjournment thereof in respect of resolutions are indicated below:

Sl. No	Resolution (s)	Vote	
		For	Against
1	To receive, consider and adopt the financial statements (standalone) of the Company for the year ended 31st March, 2019, including the audited Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors thereon.		

*Applicable for investors holding shares in Electronic form.

Signed this day 14th day of November, 2020

Affix Revenue Stamp

Signature of shareholder: _____

Signature of Proxy holder: _____

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. The proxy need not be a member of the company.

SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED

(CIN: L72900TG1998PLC030463)

Registered Office: Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad - 500004

Email: cs@sol.net.in, website: www.sol.net.in

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting hall)

Full name of the member attending _____

Member's Folio No/ Client ID: _____

No. of shares held: _____

Name of Proxy _____ (To be filled in, if the Proxy attends instead of the member)

I hereby record my presence at the 21st Annual General Meeting of the Southern Online Bio Technologies Ltd., to be held on Sunday, the 06th day of December, 2020 at 11.30 AM at Anion Conference Hall, Swarna Jayanti Complex, 8th Floor, beside Maitrivanam, Ameerpet, Hyderabad, Telangana 500038

..... Member's / ~~Proxy's~~ Signature

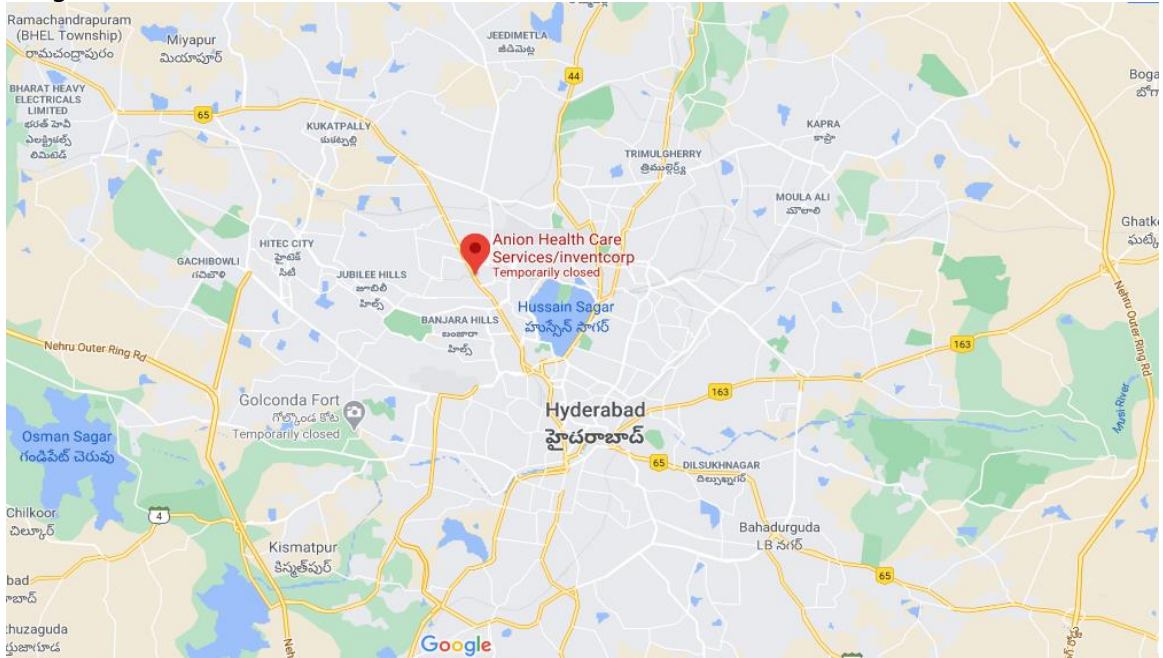
Note:

1. Members are requested to bring their copies of the Annual Report to the meeting, since further copies will not be available.
2. The Proxy, to be effective should be deposited at the Registered Office of the Company not less than FORTY EIGHT HOURS before the commencement of the meeting.
3. A Proxy need not be a member of the Company.
4. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the vote of the other joint holders. Seniority shall be determined by the order in which the names stand in the Register of Members.
5. The submission by a member of this form of proxy will not preclude such member from attending in person and voting at the meeting.

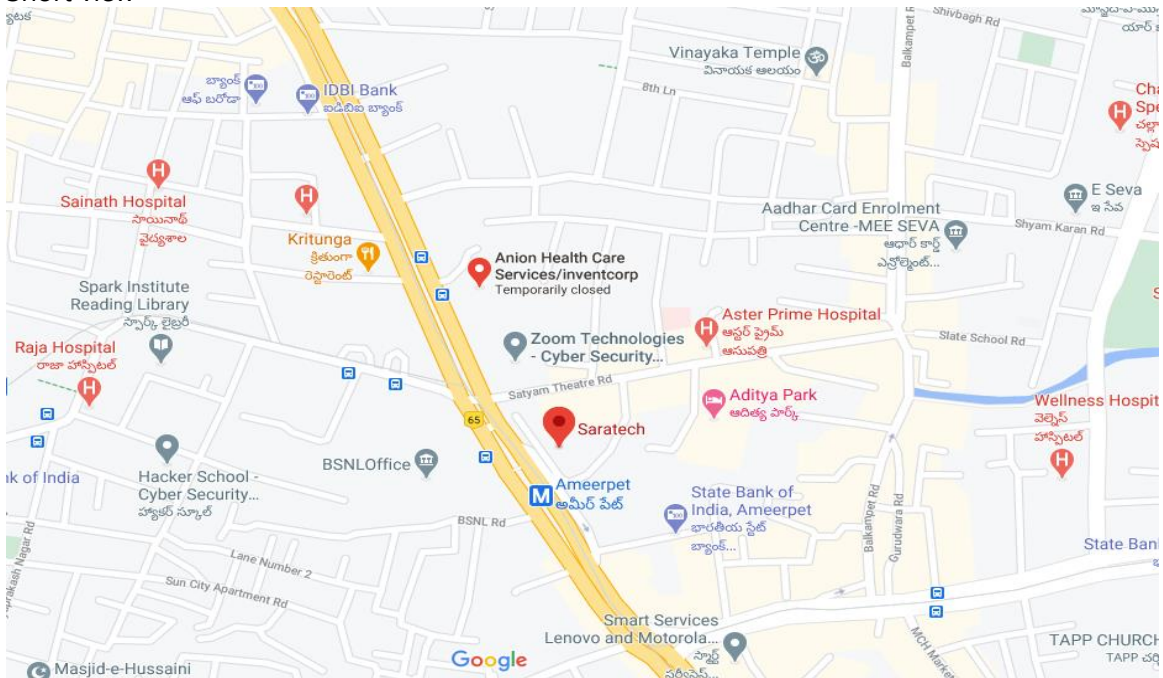
In terms of the Requirements of the Secretarial Standard on General Meetings (SS-2) issued by the Institute of the Company Secretaries of India; route map for the location of the venue of the 21st Annual General Meeting is given below :

ROUTE MAP FOR AGM VENUE

Long view



Short view



**Form No.MGT-12
POLLING PAPER**

(Pursuant to Section 109(5) of the Companies Act, 2013 and Rule 21(1)(c) of the Companies (Management and Administration Rules, 2014)

CIN	L72900TG1998PLC030463		
Name of the Company	SOUTHERN ONLINE BIO TECHNOLOGIES LIMITED		
Registered Office	Flat No. A3, 3rd Floor, Office Block, Samrat Complex, Saifabad, Hyderabad - 500004		
Name of the member(s)			
Registered Address			
E-mail Id			
Folio No./Client ID		DP ID	
Number of Equity shares held			

I hereby exercise my vote in respect of Ordinary/Special Resolution enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Resolution Number	Description	Optional (√)	
		For	Against
Ordinary Business			
1	To receive, consider and adopt the financial statements (standalone) of the Company for the year ended 31st March, 2019, including the audited Balance Sheet as at 31st March, 2019 and the Statement of Profit and Loss of the Company for the year ended on that date, along with the reports of the Board of Directors and Auditors thereon.		

Place:

Date:

(Signature of the Shareholder/Proxy)